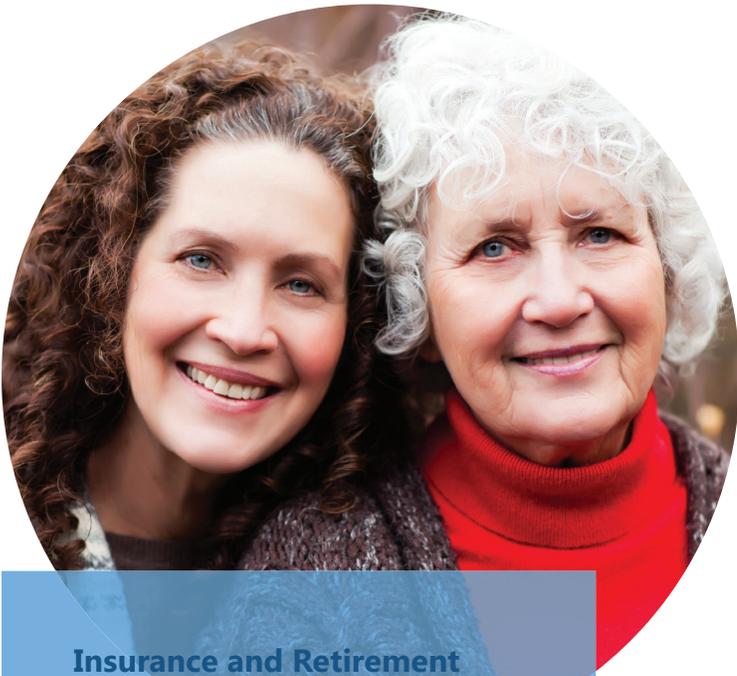


# 2017 P&B-Provided Benefits Guide

Pensions and Benefits USA  
Church of the Nazarene  
17001 Prairie Star Parkway  
Lenexa, KS 66220  
Phone: (888) 888-4656 (Language interpretation available)  
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## Insurance and Retirement Benefits for Those Who Serve

Pensions and Benefits USA (P&B) is pleased to offer certain levels of life and disability insurance and retirement account supplements at no cost to active, eligible ministers whose churches support the P&B Fund. This includes P&B-provided contributions to the 403(b) Retirement Savings Plan accounts of eligible ministers.

This booklet provides details regarding these valuable free benefits and explains the eligibility requirements for receiving them. We encourage pastors, church treasurers, and/or board members to familiarize themselves with this information to assure no eligible minister fails to receive these benefits.

Don Walter  
Director  
Pensions and Benefits USA

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# P&B-PROVIDED INSURANCE BENEFITS

The following benefits are provided by Pensions and Benefits USA at no cost to eligible participants:

- Pastors Life Insurance Plan
- Basic Long-Term Disability
- Nazarene 403(b) Insurance Retirement Savings Plan

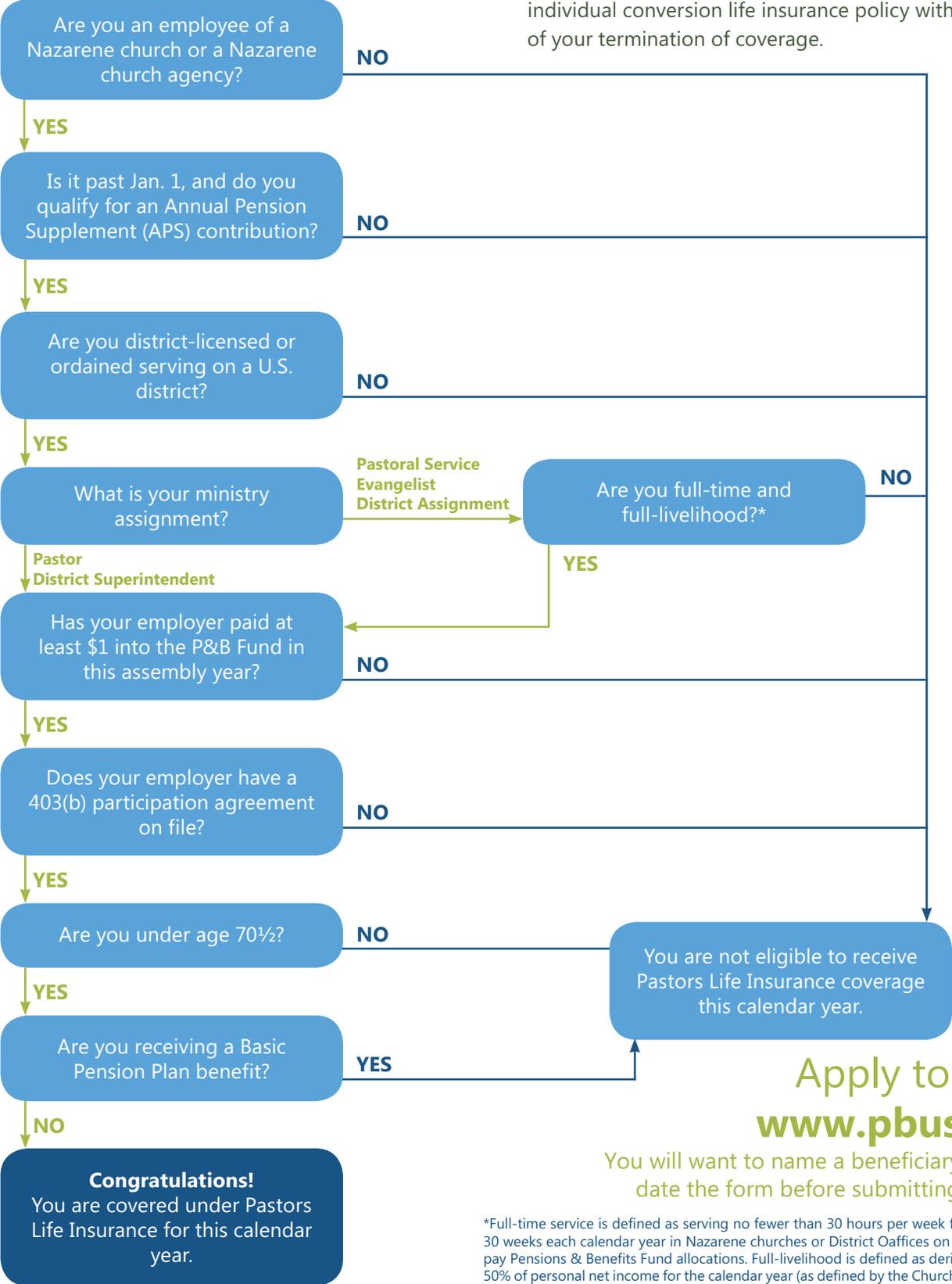


# PASTORS LIFE INSURANCE PLAN

Policy Effective Date: January 1, 2009

## AM I ELIGIBLE?

You may qualify for a benefit which provides you with \$15,000 in Life Insurance and your spouse with \$1,000 at no cost to you. Even if you are no longer eligible for coverage, you have the opportunity to purchase an individual conversion life insurance policy within 31 days of your termination of coverage.



Apply today at [www.pbusa.org](http://www.pbusa.org)

You will want to name a beneficiary, sign, and date the form before submitting it to P&B.

\*Full-time service is defined as serving no fewer than 30 hours per week for no fewer than 30 weeks each calendar year in Nazarene churches or District Offices on U.S. districts that pay Pensions & Benefits Fund allocations. Full-livelihood is defined as deriving no less than 50% of personal net income for the calendar year (as defined by the Church of the Nazarene INC.) in Nazarene churches on U.S. districts that pay Pensions & Benefits Fund allocations.

# BASIC LONG-TERM DISABILITY INSURANCE

Policy Effective Date: January 1, 2009

**NO application  
necessary**

**NO waiting period  
for coverage**

This plan pays a monthly benefit to ministers employed by a Nazarene church or church agency who, because of an illness or an injury lasting three months or longer, are unable to work and earn an income. If you are eligible for Pastors Life Insurance, you are also eligible for Basic Long-Term Disability Insurance. This means you can receive a maximum monthly benefit of \$400 under this plan, provided by P&B Fund receipts.

To be eligible for benefits, you must be out of work for three continuous months due to an occupational or non-occupational injury or illness.

As long as you remain disabled, LTD benefit payments will continue as follows until:

- The calendar month when you reach normal retirement age, as determined by the 1983 Amended Social Security Normal Retirement Age; or
- (If your disability starts on or after the date you reach age 60), the expiration of the number of months of disability as figured from the following schedule:

AGE WHEN PERIOD OF DISABILITY STARTS	MONTHS OF DISABILITY
60	60
61	48
62	42
63	36
64	30
65	24
66	21
67	18
68	15
69+	12

## IMPORTANT FEATURES AND LIMITATIONS TO THE PLAN

### Preexisting Conditions:

If you were diagnosed or treated or received medical services within the six months immediately preceding your effective date of Long-Term Disability coverage (the "look-back period"), then you are not eligible to receive benefits if:

- Disability occurs within 12 months following the effective date of coverage and
- That disability is caused by the same condition for which you were diagnosed or treated or received medical services in the look-back period.

### Rehabilitation:

Our ultimate goal is to help you return to gainful employment. Our consultants review each disability claim and determine if Aetna rehabilitation services would be appropriate and effective. After reviewing your claim, if we feel you would benefit from our services, we will contact you. During your active participation in an Aetna-approved rehabilitation program, Aetna will pay you an additional 10% of your monthly benefit.

## ADDITIONAL RESOURCES

### Aetna Life Essentials<sup>SM</sup>:

Aetna Insurance extends a variety of resources and information services to those participating in the life and disability plans of P&B USA. Learn more at: [www.aetna.com/aetnalifeessentials/index.html](http://www.aetna.com/aetnalifeessentials/index.html).

# ANNUAL CONTRIBUTIONS TO THE NAZARENE 403(B) RETIREMENT SAVINGS PLAN

Policy Effective Date: January 1, 2009

Effective January 1, 1996, the Church of the Nazarene changed its primary retirement program to a defined contribution (DC) plan. Beginning that same year, P&B began making **Annual Pension Supplement (APS)** contributions to those ministers who meet certain eligibility criteria. The monies are deposited into individual Nazarene 403(b) Retirement Savings Plan accounts with Fidelity Investments.

## AM I ELIGIBLE?

### I HAD AT LEAST ONE FULL QUALIFYING YEAR OF SERVICE PRIOR TO JANUARY 1, 1996—WHERE DOES MY BENEFIT COME FROM?

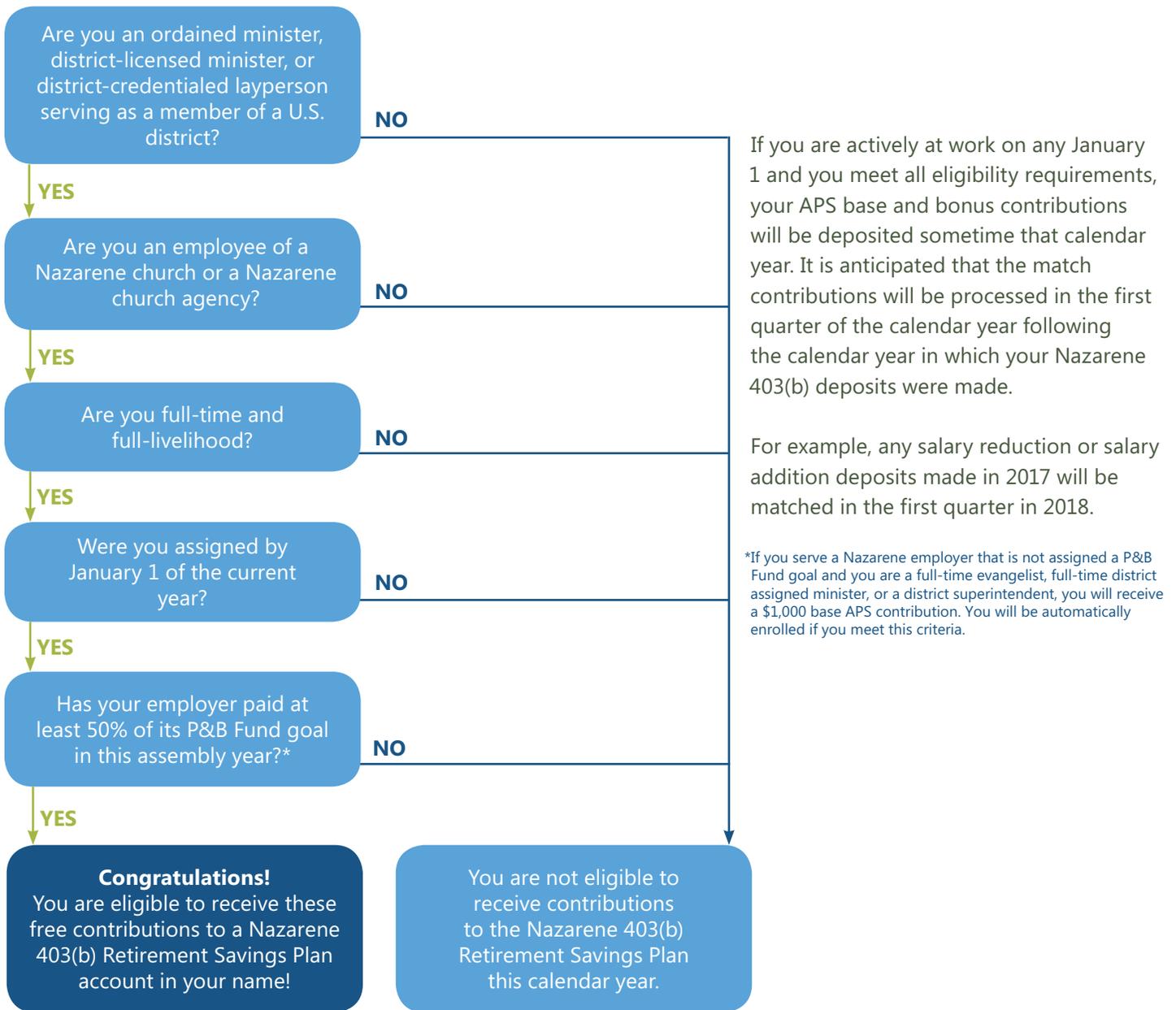
Such ministers are considered “grandfathered” participants within the defined benefit (DB) plan, now known as the Single Defined Benefit Plan. Grandfathering simply means that at the time of retirement, your benefit will be based on the Basic Pension Plan (BPP) formula within the Single Defined Benefit Plan. Please note, the retirement payments will come from both DB and DC Plans. At retirement, your years of service (before and after 1996) will be used to determine a benefit under the BPP portion of the Single Defined Benefit Plan. This is your total normal retirement benefit amount. However, the APS (sometimes also referred to as an “offset”) you’ve received has also accumulated a certain “benefit” value based on your age and retirement date. If the benefit payable from the APS contribution is less than the grandfathered amount the difference will be paid from the BPP portion of the Single Defined Benefit Plan. The end result is the same level of benefit, payable from two sources.



It is important to remember that when the offset is calculated, only the accrued value of the APS from P&B is used. Employee, employer, and matching contributions are never included in the offset calculation.

### ALL OF MY YEARS WERE SERVED AFTER JANUARY 1, 1996—WHERE DOES MY BENEFIT COME FROM?

Your benefit will come solely from the Nazarene 403(b) Retirement Savings Plan. Any monies that P&B has funded (APS), as well as monies that you have contributed through salary reduction and/or contributions through salary addition/matching, will be available through your individual Nazarene 403(b) account with Fidelity Investments.




# YOUR CHURCH'S ROLE

1. Complete the Participation Agreement (found at [www.pbusa.org](http://www.pbusa.org))
2. Make sure they are a participating employer under the plan rules
3. Contribute to the P&B Fund

# THE IMPORTANCE OF P&B FUND SUPPORT

Annual Pension Supplement (APS) contributions are deposits to the Nazarene 403(b) Retirement Savings Plan accounts of eligible full-time Nazarene ministers, district superintendents, and evangelists. Other ordained elders, deacons, district-licensed ministers and district-credentialed persons who meet the full-time, full-livelihood criteria may also be eligible to receive an APS contribution. Eligibility begins on the first January 1 following commencement of full-time active service and continues for each January 1 thereafter until the participant no longer meets eligibility criteria.

## ANNUAL PENSION SUPPLEMENT AND P&B-PROVIDED INSURANCE

ANNUAL CHURCH P&B FUND CONTRIBUTION	LIFE INSURANCE	DISABILITY INSURANCE	BASE APS	BONUS APS	403(B) MATCH
\$0 of P&B Fund Goal	\$0	\$0	\$0	\$0	\$0
\$1 to 49% of P&B Fund Goal	\$15,000	\$400/mo	\$0	\$0	\$0
50-99% of P&B Fund Goal	\$15,000	\$400/mo	\$200	\$0	\$0
100% of P&B Fund Goal	\$15,000	\$400/mo	\$200	10% of P&B Fund Paid	\$0
100% of P&B Fund Goal and Education Fund Goal	\$15,000	\$400/mo	\$200	10% of P&B Fund Paid	50% Match of 403(b) contributions up to \$250

## FOR THOSE THAT CONTRIBUTE AT LEAST 50%...

WHAT YOUR CHURCH PUTS IN	NUMBER OF GRANTS AVAILABLE TO YOUR CHURCH	TOTAL BASE APS AVAILABLE TO YOUR CHURCH
\$1-\$1,500		\$200
\$1,501-\$3,000		\$400
\$3,001-\$5,000		\$600
\$5,001-\$10,000		\$800
\$10,001-\$15,000		\$1,000
\$15,001-\$20,000		\$1,600
\$20,001-\$25,000		\$1,200
\$25,001 and up		\$3,000

As you can see, giving, or not giving, to the P&B Fund can directly affect pastors financially. We encourage every Nazarene church in the U.S. to support their pastor and other ministers by contributing to the P&B Fund.

# FAQs

## **Who exactly is eligible to receive an APS contribution?**

District superintendents and senior pastors who are district-licensed or ordained are eligible due to their assigned role. Other ordained elders, deacons, district-licensed ministers and district-credentialed lay persons who meet the full-time, full-livelihood criteria will also receive an APS contribution. Ministry assignments that may be considered are DS, PAS, DA, DIA, PSV, EVT, EVR, EVC, SER, SEC, MUS, and CED. Co-pastors would both be eligible.

## **Do additional guidelines apply to evangelists?**

For evangelists, full-time and full-livelihood service is defined as holding services no fewer than 30 Sundays or 26 revival events (as defined by the General Board, Church of the Nazarene) per calendar year, in Nazarene churches on U.S. districts that contribute U.S. P&B Fund allocations. Service not in local Nazarene churches must be affiliated with the Church of the Nazarene. An evangelist must satisfy one or the other alternative criteria which may not be used in combination to receive an APS contribution.

## **Who is not eligible for an APS contribution?**

In the event that the church of a pastor or staff member fails to contribute to the U.S. P&B Fund, no contribution will be credited to the pastor or staff member under this plan. This criterion does not apply to evangelists and those participants serving in district assignments.

Any year in which a participant is already receiving benefits under the Basic Pension portion of the Nazarene Single Defined Benefit Plan is not creditable to receive a contribution under this plan.

A participant already receiving benefits under Basic Pension is not eligible to receive employer matching contributions in a church institution pension plan.

## **I am not a citizen of the United States; am I eligible for benefits if all other criteria are met?**

In order to be eligible, you must have a Permanent Resident Card (Green Card) or an R-1 work visa as required by U.S. Citizenship and Immigration Services. Visit <https://www.uscis.gov> for more information and to apply for the appropriate documents.

## **Can I instruct P&B to send the 403(b) matching contributions to another retirement program maintained through my local church?**

No. All P&B contributions, base, bonus, and the match must be deposited to your Nazarene 403(b) Retirement Savings Plan account with Fidelity Investments.

## **What other assignments may be eligible for contributions?**

A full-time supply minister who is district-licensed or ordained would receive an APS contribution when earning full-livelihood from such ministry.

## **When will base contributions and bonus APS contributions be made?**

Since these contributions are based upon the P&B Fund amount paid by churches, APS deposits to accounts are not made until after the close of the fiscal year for which they are payable. This is typically at least 90 days *after the end of your district's fiscal year*. APS contributions are subject to district office verification of eligibility.

## **Will my 403(b) matching contributions be used as an offset against my basic pension plan (BPP) benefit like the base/bonus contributions are? (I am a grandfathered participant.)**

No.

# YOUR FIDELITY PARTNERSHIP

P&B partners with Fidelity Investments to help you make the most of your financial situation. Fidelity can help you consider things like...



How Social Security will supplement your other savings



The monthly and lifetime impact of claiming Social Security at different ages



When you plan to stop working

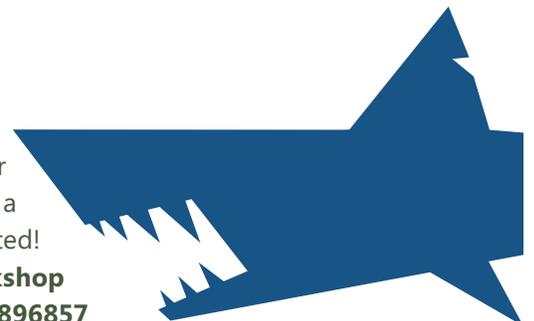


# YOU WON'T HAVE TO DO IT ALONE

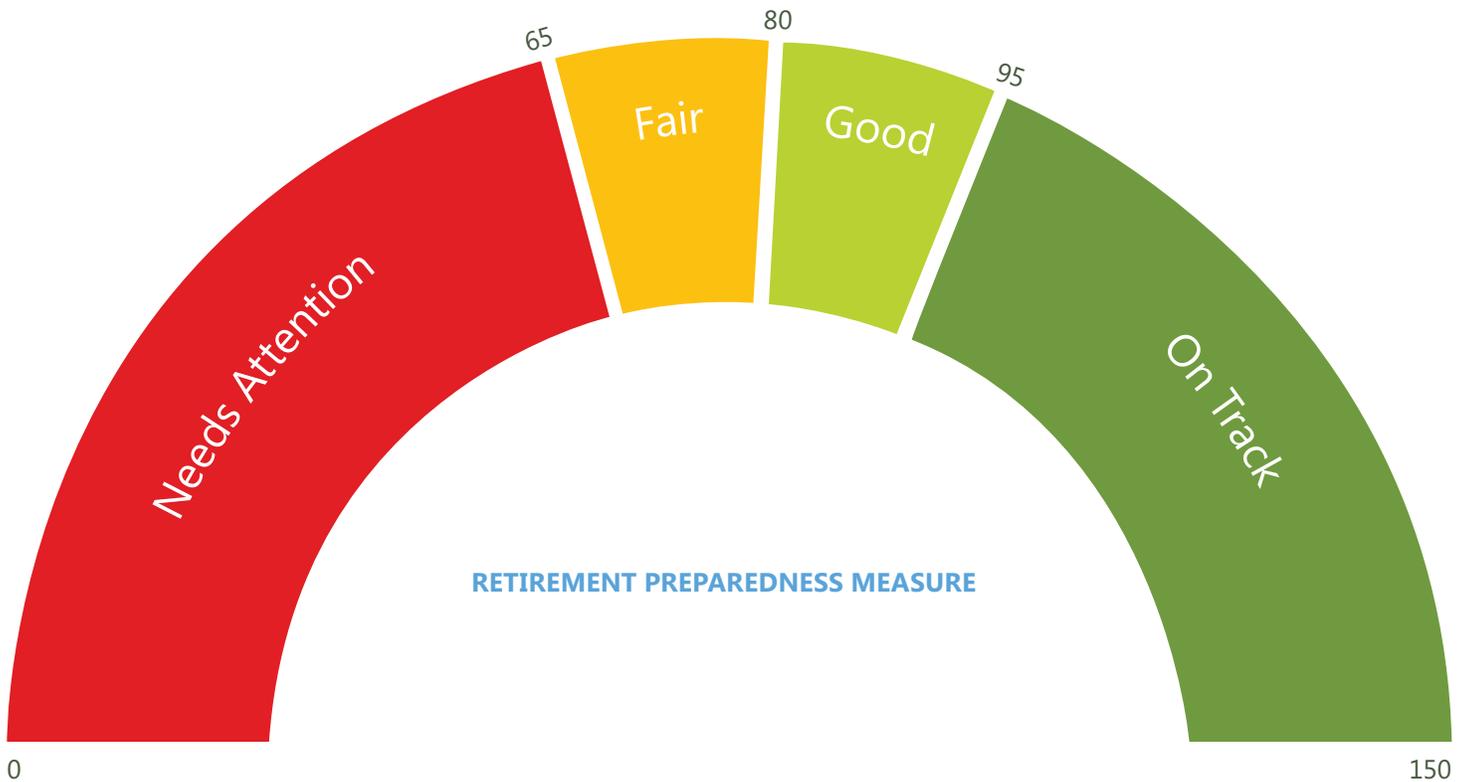
Call Fidelity at  
1-866-NAZARENE

Fidelity offers helpful workshops to design a financial plan to aid in your retirement and to develop manageable strategies, tools, and tips to get a handle on spending and debt. Visit our Brainshark website to get started!

<https://www.brainshark.com/fidelityemg/budgetanddebtworkshop>  
<http://www.brainshark.com/fidelityemg/vu?pi=150896857>



Fidelity's new Retirement Preparedness Measure (RPM) puts 55% of Americans in the yellow or red, in danger of not fully covering even estimated essential expenses like housing, health care, and food in retirement. The good news: These steps can help to improve the RPM and get most to green.



### Overall Preparedness

- Needs Attention | Score of <65%
- Fair | Score of 65-80%
- Good | Score of 80-95%
- On Track | Score of >95%

### Accelerators

-  Raise savings
-  Revisit asset mix
-  Retire later
-  Return to work part time in retirement
-  Reallocate part of savings into an annuity
-  Realize home equity

## SO WHAT'S STOPPING YOU?

- P&B** opens the account
- P&B** selects initial investment (based on age)
- P&B** makes the initial contribution

The hard work is done! All you need to do is meet the minimum personal contribution requirement, and we will make sure you receive benefits. We are here to help YOU. Help yourself, and invest in your future today.

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The descriptions of the benefits are not guarantees of current or future benefits. If there is any conflict between this Guide and the official Plan Documents, the official documents will govern.