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Annual Pension Supplement

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Giving to the Pensions and Benefits Fund is vital to assure the ongoing ability of the Church of the Nazarene to provide assistance to ministers. The following provides an overview of how giving to the P&B Fund affects the Annual Pension Supplement, as well as basic insurance benefits.

2019 APS and P&B USA-Provided Insurance

Annual Church P&B Fund Contribution	<u>Life Insurance*</u>	<u>Disability Insurance*</u>	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/month	\$0	\$0	\$0
50% to 99% of P&B Fund Goal	\$15,000	\$400/month	\$200	\$0	\$0
100% of P&B Fund Goal	\$15,000	\$400/month	\$200	10% of P&B Fund Paid	\$0
100% of P&B Fund & Education Fund Goal	\$15,000	\$400/month	\$200	10% of P&B Fund Paid	50% Match of 403(b) Contributions (up to \$250)

*Click on this column header to go to pbusa.org for complete details about the plans.

Description of Benefits:

What's new in 2019?

The APS program remains unchanged from the previous year.

What is an Annual Pension Supplement (APS) contribution?

This is intended as a basic retirement contribution to the Nazarene 403(b) Retirement Savings Plan accounts of eligible full-time Nazarene ministers whose churches pay at least 50 percent of their Pensions and Benefits Fund goal according to Funding the Mission. The current base APS contribution amount is \$200.

What is a bonus APS contribution?

If a church pays 100 percent or more of its P&B Fund goal, each minister who received an APS base contribution will also receive an APS bonus contribution equal to 10 percent of the P&B Fund amount paid by his or her church. Bonus amounts for churches with more than one eligible minister will be shared equally by all who serve that church.

What is the 403(b) match?

If a church pays 100 percent or more of its P&B Fund AND Education Fund goal, each minister who received an APS base contribution also will receive an APS bonus contribution equal to 10 percent of the P&B Fund amount paid by his or her church AND also will receive a 50 percent match of his or her personal (by salary reduction or salary addition) Nazarene 403(b) Retirement Savings Plan account contributions (to a maximum of \$250 annually).

Does P&B provide complimentary life insurance for pastors?

Yes. Basic life insurance coverage is provided for all eligible full-time Nazarene ministers whose churches contribute to the P&B Fund. The amount of coverage is \$15,000. Additional life insurance may be purchased by the minister or the local church (see www.pbusa.org for details).

Does P&B provide complimentary long-term disability insurance for pastors?

Yes. Basic disability insurance coverage is provided for all eligible full-time Nazarene ministers receiving their first year of retirement credit after January 1, 1996, whose churches contribute to the P&B Fund. The maximum monthly amount of the benefit is \$400. Additional disability insurance may be purchased by the minister or the local church (see www.pbusa.org for details).

For those not serving a local church, or who are serving under district assignment, what benefits are they eligible for?

Full-time evangelists, full-time district-assigned ministers, and district superintendents will receive \$1,000 base APS contributions. Basic life insurance coverage will be the same (\$15,000) as for all ministers whose churches contribute to the P&B Fund.

When will base and bonus APS contributions be made?

Since Annual Pension Supplements are based on the amount of P&B Fund paid by a congregation, deposits to retirement accounts are made following the close of the assembly year. Additional verification of participant eligibility is required from the district office, so APS contributions will generally occur within 60 days of the close of the assembly.

When will the matching contributions be made?

It is anticipated that these contributions will be processed in the first quarter of the calendar year following the calendar year in which your contributions were made. For example, any salary reduction or salary addition contributions made in 2019 would be matched in the first quarter in 2020.

I am a grandfathered participant under the Basic Pension Plan (BPP). Will the 403(b) match contributions be used as an offset against my BPP benefit like the base/bonus contributions are?

No.

My church contributes to a retirement plan other than the Nazarene 403(b) Plan. Can we instruct P&B to send 403(b) match contributions to that plan?

No. All matching funds will be determined by your contributions to and contributed into the Nazarene 403(b) Retirement Savings Plan account with Fidelity Investments.

The Impact of P&B Fund Payment Levels

My church pays less than 100 percent of our P&B Fund goal. How will this affect what I receive in benefits from P&B?

We understand that reaching 100 percent is not always possible, but every church can pay something. If a church pays only \$1, insurance benefits will be available. Depending on the percentage paid, an eligible full-time minister will have either basic life insurance, or basic life insurance and retirement benefits.

My church does not pay anything to the P&B Fund. How will this affect what I receive in benefits from P&B?

Because of funding constraints, it is no longer possible to provide any benefits to ministers serving churches that contribute nothing to the P&B Fund.

My church employs more than one full-time minister. How do you determine how much each minister will receive in benefits from P&B?

P&B uses the chart below to determine the number of APS base grants provided per church. As you can see, the more money contributed into the P&B Fund provides for a larger number of APS base grants.

Annual Church P&B Fund Contribution (at least 50% of P&B Fund Goal)	Number of APS Grants Available per Church	Total Base APS \$ Available per Church
\$1 to \$1,500	1	\$ 200
\$1,501 to \$3,000	2	\$ 400
\$3,001 to \$5,000	3	\$ 600
\$5,001 to \$10,000	4	\$ 800
\$10,001 to \$15,000	5	\$1,000
\$15,001 to \$20,000	6	\$1,200
\$20,001 to \$25,000	8	\$1,600
\$25,001 and up	15	\$3,000

The Importance of P&B Fund Support

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



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