



P&B-Provided Benefits Guide

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Retirement and Insurance Benefits for Those Who Serve

Pensions and Benefits USA (P&B) is pleased to offer retirement account supplements and certain levels of life and disability insurance 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 complimentary 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.

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RETIREMENT

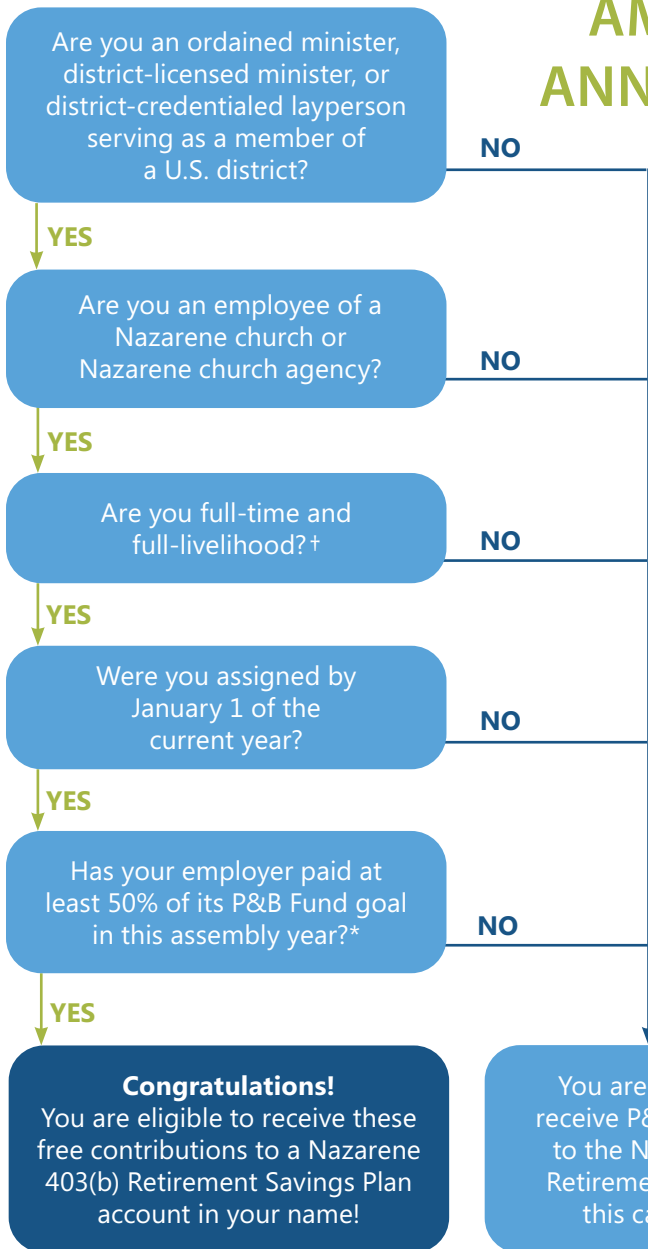
THE NAZARENE 403(B) RETIREMENT SAVINGS PLAN

Investing for the future can make the difference between a comfortable retirement and having to work longer than you'd like in later years. To help your savings grow, Pensions and Benefits USA contributes to the retirement accounts of eligible ministers.

From our earliest days, the Church of the Nazarene has provided assistance for ministers in retirement. In 1971, we established a plan to offer a monthly retirement benefit for every eligible minister. Commonly called the "Basic Pension," or Single Defined Benefit Plan (SDBP), it provides a stipend based on years of service. Learn more about the SDBP under the retirement tab at pbusa.org.

However, on January 1, 1996, we initiated a defined contribution (DC) program called the Nazarene 403(b) Retirement Savings Plan. It allows eligible ministers to save for retirement with tax advantages. With this plan, voluntary contributions are deducted from a church employee's salary, thus avoiding income tax when deposited. At retirement, withdrawals made by ministers are designated as "housing allowance," and are tax-free, subject to IRS limits. To help your savings grow, P&B adds Annual Pension Supplements (APS), based on your congregation's giving to the P&B Fund. See the following pages for eligibility and page 8 for amounts available.

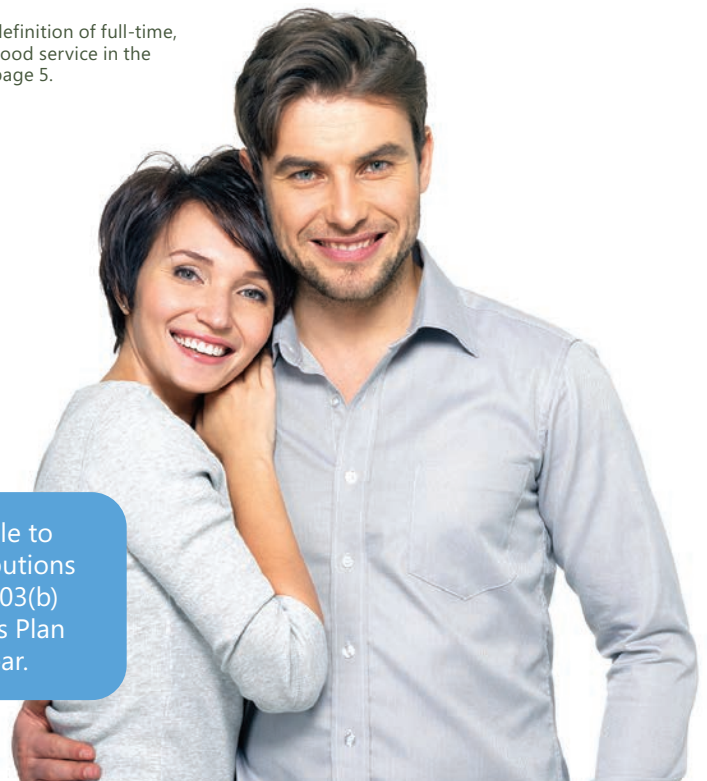
AM I ELIGIBLE TO RECEIVE AN ANNUAL PENSION SUPPLEMENT?



If you are actively at work on any January 1 and you meet eligibility requirements, APS base and bonus contributions will be deposited to your sometime that calendar year. Usually, matching contributions are processed in the first quarter of the year following the calendar year in which your Nazarene 403(b) deposits were made.

*If you serve a Nazarene employer that is not assigned a P&B Fund goal and you are a full-time evangelist, full-time district assigned minister, or a district superintendent, you receive a \$1,000 base APS contribution. You are automatically enrolled if you meet this criteria.

†See the definition of full-time, full-livelihood service in the FAQs on page 5.



YOUR CHURCH'S ROLE

Giving by districts and churches to the P&B Fund makes possible retirement and life insurance benefits for eligible U.S. ministers.

We encourage every church to strive for 100% payment of their P&B Fund and Education allocations to ensure maximum benefits for their pastor(s).

APS FAQ

Who is eligible to receive APS contributions?

District superintendents and senior pastors who are district-licensed or ordained are eligible because of their assigned role. Other ordained elders, deacons, district-licensed ministers and district-credentialed laypersons who meet full-time, full-livelihood criteria also receive APS. Ministry assignments that may be considered are DS, PAS, DA, DIA, PSV, EVT, EVR, EVC, SER, SEC, MUS, and CED. Co-pastors are eligible, as are full-time supply ministers who are district-licensed.

What is considered full-time/full-livelihood service?

For ministers other than district superintendents and senior pastors, 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 P&B Fund allocations. Full-livelihood is defined as deriving no less than 50% of personal net income for the calendar year from the local church or district being served. Both definitions must be satisfied to receive an APS contribution.

Do additional guidelines apply to evangelists?

For evangelists, full-time and full-livelihood service is considered to be holding services no fewer than 30 Sundays or 26 revival events (as defined by the General Board), per calendar year, in Nazarene churches on U.S. districts that contribute P&B Fund allocations.

Who is not eligible for an APS contribution?

In the event the church of a pastor or staff member fails to contribute to the 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 serving in district assignments.

In the year that a participant begins to receive a benefit under the Basic Pension portion of the Nazarene Single Defined Benefit Plan, they are no longer eligible to receive APS under this 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.

When are base contributions and bonus APS contributions be made?

Since they 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 a district's fiscal year*. APS contributions are subject to district office verification of eligibility.

**More APS FAQs are available at
PBUSA.ORG.**



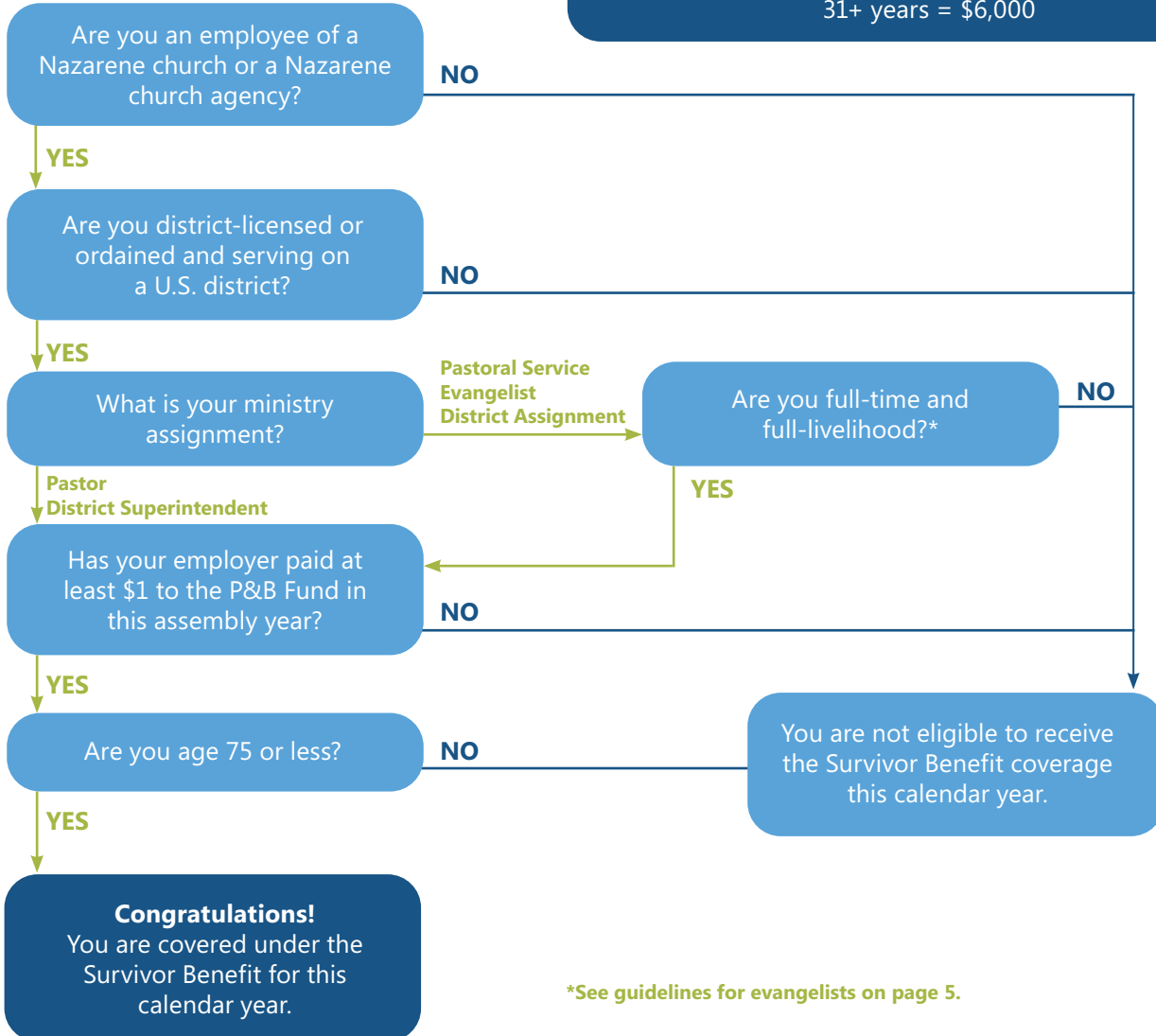
THE SURVIVOR BENEFIT

Pensions and Benefits USA automatically provides a base level Survivor Benefit for eligible ministers. For those actively serving local churches, coverage is based on the minister's age: \$30,000 for ministers age 50 and under; \$15,000 for ministers age 51 to 70, and \$7,500 for ministers age 71 to 75. Retired ministers (or active and over age 75) have a Survivor Benefit based on years of service: \$1,500 for 10 to 20 years; \$3,000 for 21 to 30 years; and \$6,000 for 31+ years. You pay no premium for this coverage, but do need to complete a beneficiary form.

AM I ELIGIBLE?

(Active and under age 75)

As of January 1...



If you are Retired Minister (or active and over age 75)...
 You have a Survivor Benefit based on years of service:
 10 to 20 years = \$1,500
 21 to 30 years = \$3,000
 31+ years = \$6,000

*See guidelines for evangelists on page 5.

To receive the Survivor Benefit, you must complete and return the Beneficiary Change/Designation Form, which can be found at pbusa.org.

Note, if you started on the Basic Pension Plan prior to 1/1/21, your Survivor Benefit will not be less than the benefit promised under the Pensioners Death Benefit Plan (PDBP).

BASIC LONG-TERM DISABILITY INSURANCE

NO application necessary

NO waiting period for coverage

This plan provides a maximum monthly benefit of \$500 if an eligible minister, because of an illness or an injury lasting three months or longer, is unable to work and earn an income. It is for participants of the Nazarene 403(b) Retirement Savings Plan who have no “grandfathered” disability benefits under the Basic Pension Plan. Eligibility requirements are the same as those for the Survivor Benefit (see page 6).

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.

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

THE IMPORTANCE OF GIVING TO THE P&B FUND

All of the retirement and insurance benefits provided to Nazarene ministers by Pensions and Benefits USA are made possible because of the faithful giving of U.S. districts and churches. Such giving enables us to serve almost 17,000 active and retired ministers, church-employed laypersons, spouses, and widows across the United States. The charts below, show how congregational affects benefits for church employees.

ANNUAL PENSION SUPPLEMENT AND INSURANCE PROVIDED BY PENSIONS AND BENEFITS USA

ANNUAL BENEFITS PAID FROM P&B FUNDS	ANNUAL P&B ALLOCATION PAID			ANNUAL P&B AND EDUCATIONAL ALLOCATION PAID
	\$1-49%	50-99%	100%	100%
Life Insurance ¹	✓	✓	✓	✓
Disability Insurance \$500/month	✓	✓	✓	✓
Base APS \$200		✓	✓	✓
Bonus APS 10% ²			✓	✓
403(b) APS Match 50% ³				✓

¹The Survivor Benefit for active eligible ministers is based on age: 50 and under = \$30K, 51 to 70 = \$15K, and 71 to 75 = \$7.5K. For retired ministers (and active over age 75), the benefit is based on years of service: 10 to 20 years = \$1.5K, 21 to 30 years = \$3K, and 31+ = \$6K.

²10% of the amount paid by church to the P&B Fund.

³50% (up to \$250) match of combined contributions of employee and employer to 403(b) account.

WHAT YOUR CHURCH CONTRIBUTES*	NUMBER OF GRANTS AVAILABLE TO YOUR CHURCH	TOTAL BASE APS AVAILABLE TO YOUR CHURCH
\$1-\$1,500	1 person icon	\$200
\$1,501-\$3,000	2 person icons	\$400
\$3,001-\$5,000	3 person icons	\$600
\$5,001-\$10,000	4 person icons	\$800
\$10,001-\$15,000	5 person icons	\$1,000
\$15,001-\$20,000	6 person icons	\$1,600
\$20,001-\$25,000	8 person icons	\$1,200
\$25,001 and up	10 person icons	\$3,000

* AMOUNT MUST BE AT LEAST 50% OF FUND GOAL

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.

Got Questions?

Contact us at pensions@nazarene.org or 888-888-4656.

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PENSIONS AND BENEFITS USA
CHURCH OF THE NAZARENE

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