

Administrative Rule #908 – Small Benefit Distribution \$1,000 Mandatory Cash Out, \$5,000 Voluntary Cash Out

BOARD OF PENSIONS ADMINISTRATIVE RULES

Section	9 (Pension Credits)	Subject:	Small Benefit Distribution \$1,000 Mandatory Cash Out \$5,000 Voluntary Cash Out
Rule Number:	908		
Reference: Article VIII, Section 8.5		Resource:	Pension Benefits
		Original Date:	7/94
		Revision Dates:	6/95; 3/98; 5/99; 6/00; 1/11

Small Benefit Distribution

The Pension Plan provides that any vested member of the Pension Plan who terminates eligible service and has vested pension credits with actuarially-equivalent single-sum present value of \$ 1,000 or less as of his/her date of termination will receive a lump sum cash distribution equal to the present value of those credits and will be terminated from any further benefits under the Pension or Death and Disability Plan.

If a member has accrued pension credits with a present value between \$1,000 and \$5,000 on his/her eligible service termination date, the member may request to receive a Voluntary Cash Out.

The Plan's intent is not to cash out and terminate from pension participation those terminated vested members who intend to return to service in the near future. Those terminated vested members who find themselves in such a position may apply to the Board for an exception to the mandatory cash out provision.

These circumstances may include, but are not limited to:

- termination to pursue higher education
- the raising of a young child or children
- the care of an elderly family member

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To apply for an exception to the mandatory cash out provision, the terminated member must:

- Complete and sign the Application for Mandatory Cash Out Exception (PEN-205), available on Pensions.org.
- Secure the appropriate signature from the presbytery (if an ordained member) or from the last employer (if a lay member).
- Send the completed form to the Board within sixty days of the date of the payout notification.

The Board form includes an agreement to accept a voluntary cash out of in excess of \$5,000 in the event that the present value of the credits at the later cash out date exceeds \$5,000.

If a member fails to reactivate pension plan participation within five years of the date of the termination from previous service, the Board will proceed to cash out the pension credits by a lump sum cash distribution. The amount of the distribution at that time will be equal to the present value of the credits at the time of the cash out.