



The Board of Pensions
of the Presbyterian Church (U.S.A.)

Death Benefits

**for Plan Members
with Traditional
Coverage**

Benefits Plan of the Presbyterian
Church (U.S.A.)

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Death Benefits Coverage

This booklet summarizes death benefits coverage provided to eligible members with Traditional coverage under the Benefits Plan of the Presbyterian Church (U.S.A.) enrolled in the Death and Disability Plan.

It describes the coverage, how death benefits are calculated, when survivors may receive benefits, and how to apply for benefits. A separate booklet describing the disability benefits is available on request.

Please remember that the terms of the Death and Disability Plan are contained in the official Benefits Plan document. If any discrepancy exists between this booklet and the official terms of the Benefits Plan of the Presbyterian Church (U.S.A.), the terms and conditions set forth in the Benefits Plan document shall control.

The Board of Pensions is the entity responsible for the benefits, assistance, and retirement housing programs for Presbyterian Church (U.S.A.) ordained ministers, lay workers and their families.

Information to Share with Your Family

Please share the information in this booklet with your family. At your death, your survivors should contact Member Services at 800-773-7752 (800-PRESPLAN), Monday through Friday (except holidays) between 8:30 a.m. and 5:00 p.m. ET. Member Services can help them understand and receive your death benefits under this Plan.

Your spouse and dependents also may be entitled to receive Social Security benefits at your death. For more information, please call Social Security at 800-772-1213 or visit www.ssa.gov.

If you need help or information about programs and benefits, please call the Board of Pensions.

Phone

Toll free	800-773-7752 (800-PRESPLAN)
TDD	877-522-7948
Overseas	215-587-7200

Fax 215-587-6215

Mail The Board of Pensions of the
Presbyterian Church (U.S.A.)
2000 Market Street
Philadelphia, PA 19103-3298

Web site Pensions.org

Email memberservices@pensions.org

Other documents are available on Pensions.org or by calling the Board at 800-773-7752 (800-PRESPLAN).

Death Benefits

The death benefits of the Death and Disability Plan of the Benefits Plan of the Presbyterian Church (U.S.A.) are designed to protect your eligible survivors against the sudden loss of your income.

Protecting your survivors is an important part of your family's financial planning. To help your family cope with the loss of income at your death, the Benefits Plan may provide:

- The Salary Continuation Benefit
- The Lump Sum Death Benefit
- The Living Needs Benefit
- The Children's Education Benefit

The Living Needs Benefit permits members who are terminally ill and expected to live 24 months or less to use part of their Salary Continuation Benefit and Lump Sum Death Benefit before their death. These benefits differ depending on the member's benefits participation or coverage status with the Board at the time of death.

Please read each section carefully to determine the benefits for which you are covered.

You may also be eligible to subscribe for Supplemental Death Benefits coverage. It allows you to provide more financial security for your family after your death. If you are interested in additional coverage, please call the Board for information on the Supplemental Death Benefits program or visit the Web site, www.pensions.org.

The Community Nature of the Benefits Plan

The Benefits Plan of the Presbyterian Church (U.S.A.) is designed to care for and protect the community of Benefits Plan members as a whole. The Board of Pensions of the Presbyterian Church (U.S.A.), as the Plan administrator, is the corporate embodiment of the church's sense of community in caring for church workers. In this biblically based sense of **community**, members' needs are a shared responsibility and are met based on the abilities and resources of all members and churches.

“For just as the body is one and has many members, and all the members of one body, though many, are one body.... But God has so arranged the body ... that there may be no dissension within the body, but the members may have the same care for one another. If one member suffers, all suffer together with it; if one member is honored, all rejoice together with it.”

I Corinthians 12:12, 24-26 NRSV

The community shares, on the basis of income and resources, the total cost of providing the benefits for the community of members and their families. Dues represent each employing organization's share of the total cost of the Plan. Dues are not related to the benefits provided for individual employees, but are an equitable way of distributing the total cost of the Plan among the various participating organizations.

Churches and other employing organizations pay dues assessed on the effective salaries of their covered employees; thus, that dues are based on the ability to pay.

The death benefits also are designed to reflect the community nature of the Plan. Death benefits are paid on the basis of the greater of a member's pension participation basis, or, for lower-paid members, the median for the member's employment classification, prorated for part-time employment.

The Plan also provides that the dependent children of members are cared for through the Children's Education Benefit.

The Lump Sum Death Benefit enhances security for eligible survivors of members of the Plan by taking the member's age into consideration. Because younger members are more likely to have lower salaries (shorter service), young dependents, larger financial obligations (for example, future college expenses, mortgages, and others), and little savings, the Lump Sum Death Benefit is based on a sliding scale. Survivors of a member who dies at the age of 30 receive 400% of the member's annual effective salary (or churchwide median); the survivors of a member who dies at the age of 50 receive 100% of the member's effective salary (or churchwide median).

Death Benefits at a Glance

Type of Plan	Employee death benefits plan
Eligibility	<ul style="list-style-type: none"> • Any active member (including disabled or transitional participation basis) of the Benefits Plan for whom death and disability dues are currently being paid • Retired Benefits Plan pensioners
Contributions	Your employing organization pays the entire cost of your basic death benefits. You pay nothing unless you participate on the transitional participation basis.
Effective Date of Coverage	For ministers in installed pastor positions, the effective date of coverage is as requested on the Membership Application if the date is less than 12 months before the date the Board of Pensions receives the form. For lay employees and ordained ministers serving in non-installed positions, the application must be received within 31 days of the proposed effective date. If the application is received after 31 days of the proposed effective date, benefits begin on the postmark date of your application. This assumes all employer established waiting periods have been satisfied prior to receipt of an application.
Benefits: active, disabled, or transitional participation member	<ul style="list-style-type: none"> • Salary Continuation Benefit for up to 12 months • Lump Sum Death Benefit • Children's Education Benefit • Living Needs Benefit
Benefits: retired member receiving pension who meets the Rule of 70	<ul style="list-style-type: none"> • Salary Continuation Benefit • Children's Education Benefit • Living Needs Benefit
Beneficiaries	You designate your beneficiaries when you complete your application. Please remember that you are responsible for keeping your beneficiary designations current.

Eligibility

Active, Disabled, or Transitional Participation Basis Members

When your church or other employing organization enrolls you in Traditional Program coverage, it includes enrollment in the Death and Disability Plan. You are eligible to continue to participate in the death benefits while participating for medical and/or Pension benefits on the disabled or transitional participation basis.

Your church or employing organization must submit a completed Membership Application to the Board of Pensions. An authorized representative of your church or employing organization must sign the application. Full-time service is at least 35 hours a week. Part-time service is 20 to 34 hours a week.

Ministers of the Word and Sacrament

All ministers are eligible on the effective date of their first call. The *Book of Order* (G-14.0534) mandates the Traditional coverage for installed positions (pastor, co-pastor, associate pastor, and designated pastor).

Non-Mandated Employees

Local churches, governing bodies, and agencies may enroll their employees within each employment classification (exempt full-time, exempt part-time, non-exempt full-time, or non-exempt part-time). Eligible employees include lay employees and ministers serving in temporary pastoral relationships or other validated ministries.

All employees in a classification must be enrolled. Under some circumstances, non-mandated church employees may be enrolled for Traditional coverage only in healthcare, death, and disability during each employee's first three years of Plan participation. At the end of three years, coverage must be increased to also include pension coverage.

Transitional Participation Basis Members

A transitional participation basis member may continue coverage for a limited duration if seeking new eligible service. Please see the Board publication *Continuing Coverage at Termination of Eligible Service*. Members on the transitional participation basis are eligible for death benefits if they are remitting for death and disability coverage with either medical or pension dues, or both. The death benefits are based on the greater of the salary on which the transitional participation basis member is remitting pension, death, and disability dues or the median for the member's employment classification, prorated if the immediately preceding former employment was part-time.

Retired and Inactive Members

Retired from Active Status

If you are participating in the Benefits Plan Traditional coverage when you initiate your retirement pension benefits, you are eligible for the retiree Death Benefits:

- Salary Continuation Benefit
- Children's Education Benefit
- Living Needs Benefit.

Inactive Member or Retired from Inactive Status

If you are now an inactive member or you were an inactive member immediately before retiring and you met the Rule of 70 at termination, you are covered for the minimum single lump sum payment under the Salary Continuation Benefit. This benefit is payable regardless of whether you have started your pension.

To meet the Rule of 70, you must have been age 55 or older when you terminated, have at least five years of Benefits Plan participation, and the sum of the years of Benefits Plan participation and your age at termination must equal 70 or more.

Eligibility for Death Benefits After Termination

		Rule of 70	
		Meets	Does not meet
Retired from active status ?	Yes	<ul style="list-style-type: none"> • Salary Continuation Benefit • Children's Education Benefit • Living Needs Benefit 	
	No	\$8,000 lump sum only	None

Enrollment and Commencement of Coverage

If you are eligible to participate in the death benefits of the Benefits Plan, you must submit a completed Membership Application to the Board of Pensions. An authorized representative of your church or employing organization must sign the application.

If you are an ordained minister in an installed position, the effective date of coverage is as requested on the Membership Application if the date is less than 12 months before the date the Board of Pensions receives the form.

For lay employees and ordained persons serving in non-installed positions, the application must be received within 31 days of the proposed effective date for benefits to begin. If the application is received after 31 days of the proposed effective date, benefits begin on the postmark date of your application. This assumes all employer established waiting periods have been applied to the member's employment prior to receipt of an application.

Cost

The Death and Disability Plan is a non-contributory plan. This means that your employing organization pays the entire cost of your basic death benefits. No additional dues are required after you retire. Your employing organization contributes dues for each participant equal to a percentage, as established by the Board of Directors of the Board of Pensions, of your death benefits basis. This basis is the greater of the member's annual effective salary or 25% of the pastor's median (the annual churchwide median effective salary of ordained ministers serving churches).

If you are on disability, your death benefits coverage in effect (including any Supplemental Death Benefits) at the time of disability continues while you are on disability without further dues payment by you or your employing organization.

Members on the transitional participation basis with Traditional coverage may remit death and disability dues with either medical or pension dues, or both.

Death Benefits

Active, Disabled, and Transitional Participation Basis Members

Salary Continuation Benefit

If you die while enrolled for death benefits coverage, your beneficiary receives a benefit equal to the greater of your annual effective salary, subject to the maximum salary limit (\$245,000 in 2010) or the annual churchwide median effective salary for your employment classification (prorated for part-time employment).

Churchwide Median Salaries

	2009	2010
Pastors' Median <i>(the annual churchwide median effective salary of ordained ministers serving churches)</i>	\$50,800	\$52,200
Exempt Lay Members	\$37,600	\$38,800
Non-Exempt Lay Members	\$27,600	\$28,500

The Salary Continuation Benefit is paid in equal monthly installments for 12 months after your death to your designated beneficiary. If you designate more than one beneficiary, the benefit is paid equally to these beneficiaries, unless otherwise designated by you in writing. You may name anyone you want as your beneficiary using the Salary Continuation Benefit Beneficiary Designation form available from the Board of Pensions.

If you do not designate a beneficiary, this benefit is paid in equal shares to your eligible survivors within the first class of eligible survivors in this order:

1. your surviving spouse, provided the marriage took place at least one year before your death;
2. your unmarried dependent children under age 21 and unmarried permanently disabled children age 21 or older who were dependent on you for support during the 12 months immediately preceding and on your date of death;
3. your children, regardless of dependency or age; or
4. your estate.

Examples for Salary Continuation Benefit

If, at your death, your annual effective salary as a full-time ordained minister is \$60,000 (greater than the churchwide median salary for ordained minister members of \$52,200 in 2010), your designated beneficiaries (or eligible survivors) receive a monthly Salary Continuation Benefit of \$5,000 (1/12 of \$60,000) for 12 consecutive months after your death. The benefit is paid in equal shares to your beneficiaries.

If your effective salary as a full-time ordained minister is \$50,000 (less than the pastors' median salary of \$52,200 in 2010), your designated beneficiaries (or eligible survivors) receive a monthly Salary Continuation Benefit of \$4,350 (1/12 of \$52,200, the churchwide median salary) for 12 consecutive months after your death.

The benefit is paid in equal shares to your beneficiaries. If you work fewer than 35 hours a week, the median salary for your employment classification is prorated to reflect your part-time employment status when the benefit is determined.

If your effective salary as a part-time exempt lay employee working 20 hours a week is \$18,000 (less than the churchwide median salary for exempt lay members of \$38,800 in 2010), your designated beneficiaries (or eligible survivors) receive a monthly Salary Continuation Benefit of \$1,847.53 for 12 consecutive months after your death. The benefit is paid in equal shares to your beneficiaries. The churchwide median salary is prorated for part-time employment.

To calculate this, the number of scheduled hours a week is divided by 35 (the number of work hours for full-time employment). The churchwide median salary for the employment classification is multiplied by this ratio and divided by 12 to determine the adjusted monthly benefit.

$$20 \text{ hours a week} / 35 \text{ hrs} = 0.5714$$

$$0.5714 \times \$38,800 = \$22,170.32 \text{ annually or } \$1,847.53 \text{ monthly}$$

Lump Sum Death Benefit

For members with eligible dependents

If you die while enrolled for death benefits coverage, your eligible dependents receive a Lump Sum Death Benefit. The Lump Sum Death Benefit is equal to the greater of your annual effective salary, subject to the maximum salary limit (\$90,000), or the churchwide median effective salary for your employment classification (prorated for part-time employment) multiplied by the percentage corresponding with your age:

Member Age at Death	Benefit %
Under age 31	400%
31 but under 32	380
32 but under 33	360
33 but under 34	340
34 but under 35	320
35 but under 36	300
36 but under 37	280
37 but under 38	260
38 but under 39	240
39 but under 40	220
40 but under 41	200
41 but under 42	190
42 but under 43	180
43 but under 44	170
44 but under 45	160
45 but under 46	150
46 but under 47	140
47 but under 48	130
48 but under 49	120
49 but under 50	110
50 and over	100

The Lump Sum Death Benefit is paid to your eligible dependents in this order:

1. your surviving spouse (provided you were married at least one year before your death or before any retirement or disability benefits began)
2. your unmarried dependent children under age 21 and unmarried permanently disabled children age 21 or older if they were dependent on you for support during the 12 months immediately preceding and on your date of death
3. your dependent parents
4. your unmarried dependent sisters or brothers under age 21 and, if they were dependent on you for support for 12 months before and on the date of your death, unmarried permanently disabled sisters or brothers age 21 or older

An eligible survivor may choose to receive the Lump Sum Death Benefit in the form of a monthly annuity payment (the actuarial equivalent of the Lump Sum Death Benefit).

Examples for Lump Sum Death Benefit for Members with Eligible Dependents

- If you are 35 years old and your annual effective salary as a full-time exempt lay employee is \$50,000 (greater than the churchwide median salary of \$38,800 in 2010) and you have eligible dependents, they receive a Lump Sum Death Benefit of \$150,000 (300% of \$50,000) at your death.
- If you are 40 years old and your annual effective salary as a full-time exempt lay employee is \$100,000 (greater than the churchwide median salary of \$38,800 in 2010) and you have eligible dependents, they receive a Lump Sum Death Benefit of \$180,000 (200% of the \$90,000 maximum covered salary) at your death.
- If you are 40 years old and your annual effective salary as a part-time exempt lay employee working 20 hours a week is \$17,000 (median salary is \$38,800 in 2010) and you have eligible dependents, they receive a Lump Sum Death Benefit of \$44,340.64 (200% of the prorated median salary) at your death. The exempt lay employee median salary is prorated for part-time employment:

$$20 \text{ (number of work hours)} / 35 \text{ (work hours for full-time employment)} = 0.5714$$

$$0.5714 \times \$38,800 \text{ (churchwide median salary in 2010)} \\ = \$22,170.32$$

$$\$22,170.32 \times 200\% \text{ (applicable Lump Sum Benefit factor based on age)} = \$44,340.64$$

For members without eligible dependents

If you die while enrolled for death benefits coverage and you do not have eligible dependents, your Lump Sum Death Benefit is payable to your estate. The Lump Sum Death Benefit payable to your estate is equal to 100% of the greater of your annual effective salary, subject to the maximum salary (\$90,000), or the churchwide median effective salary for your employment classification (prorated for part-time employment).

Examples for Lump Sum Death Benefit for Members without Eligible Dependents

- If you are 45 years old and your annual effective salary as a full-time exempt lay employee is \$45,000 (greater than the median salary of \$38,800 in 2010) and you do not have eligible dependents, your estate receives a Lump Sum Death Benefit of \$45,000 at your death.
- If you are 35 years old and your effective salary as a full-time ordained minister member is \$35,000 in 2010 and you do not have eligible dependents, your estate receives a Lump Sum Death Benefit of \$52,200, the median salary in 2010, at your death.

Children's Education Benefit

If you die while enrolled for death benefits coverage and have dependent children under the age of 25, each child may receive an annual allowance (\$9,000) for the first four years of full-time study beyond high school. Each year of study must occur after your death, and the maximum aggregate benefit for any one eligible child is four years. The school's registrar must verify full-time student status in writing for the child to qualify for this education benefit.

The Death and Disability Plan does not pay retroactively for your child's post-secondary study before your death and pays only the balance of the first four years of study after your death. It is not intended to cover graduate studies, but if a child completes post-secondary study in three years, the Board grants the education benefit for one year of graduate study.

Children who are eligible for this education benefit should contact the Board of Pensions when they are planning for higher education. The Board tries to identify and notify all eligible dependents when they reach age 17 that this benefit is available to them.

Examples for the Children's Education Benefit

If at your death you had three children ages 15, 20, and 23, who were all covered dependents at that time:

- If your eldest child was enrolled full-time in four-year post-secondary study and has completed two years, he/she would be entitled to receive the education benefit for two years (or a maximum benefit of \$18,000) as long as he/she completes the study before age 25.
- If your second child had not yet enrolled in full-time post-secondary study, he/she would be entitled to receive the education benefit for four years (or a maximum benefit of \$36,000) as long as he/she completes the study before age 25 and those four years of post-secondary study take place after your death.
- If your youngest child enrolls for full-time post-secondary study, he/she would be entitled to receive the education benefit for four years (or a maximum benefit of \$36,000) as long as he/she completes the study before age 25.

Living Needs Benefit

Members enrolled for Death and Disability benefits and coverage who are certified by their physicians to be terminally ill with a life expectancy of 24 months or less may request prepayment of a portion of their death benefits. The Living Needs Benefit is intended to provide financial support to terminally ill members when they need it the most. The benefit is paid only to the Plan member, not to any other person or entity.

The Living Needs Benefit is equal to the actuarial present value of up to 100% of your Salary Continuation Benefit and/or 75% of the Lump Sum Death Benefit of members without eligible dependents. To determine the actuarial present value, the Plan applies mortality and interest factors to the face value of your coverage when you request the funds. These factors are based on the Plan's mortality and interest assumptions to determine the cost of the plan.

The Living Needs Benefit will not be available if:

- the member's illness or injury is caused by an intentionally self-inflicted injury
- the member's death and disability benefits coverage has been in effect for less than two years
- the member has made a prior assignment of the benefit
- the member must by law use the death benefits to meet claims of creditors, whether in bankruptcy or otherwise
- the member is required by a government agency to use the benefit to apply for, get or keep a government benefit or entitlement

You must request the Living Needs Benefit in writing. You will receive a kit including the necessary forms and information about estimated amounts you are eligible to receive. Your physician must supply information, but the Board of Pensions may require, at its expense, a second medical opinion.

If the Board of Pensions approves your application for the Living Needs Benefit, you may elect prepayment of *both* your Salary Continuation Benefit and Lump Sum Death Benefit, or only one of these.

Any Living Needs Benefit paid during your lifetime is deducted from the benefits payable to your beneficiaries or eligible dependents at your death.

Examples for Living Needs Benefit

In all situations, the Board must approve your written application and physician's certification for the benefit.

- You are an ordained minister member and your annual effective salary when you became terminally ill was \$60,000, more than the present median salary of \$52,200 in 2010. You are entitled to receive up to 100% of the actuarial present value of \$60,000, your Salary Continuation Benefit. If you request more than that, you are also entitled to receive up to \$45,000 as a Lump Sum Death Benefit (75% of \$60,000).
- You are an ordained minister member and your annual effective salary when you became terminally ill was \$91,000, more than the present median salary of \$52,200 in 2010. You are entitled to receive up to 100% of the actuarial present value of \$91,000. You are also entitled to receive \$67,500 in Lump Sum Death Benefits (75% of \$90,000 maximum covered salary).

Members Enrolled at Retirement

If you die after you have started your pension (and so die as a retired member), your survivors may be eligible to receive death benefits: Salary Continuation Benefit, Children's Education Benefit, and Living Needs Benefit.

Salary Continuation Benefit

The Salary Continuation Benefit provided for members who die in active service provides a year of income for the beneficiaries of active members. The Salary Continuation Benefit provided for members who retired from active Plan participation, or who retired from an inactive status and meets the Rule of 70, is designed to assist with funeral expenses. The amount paid depends upon when you die.

Amount

If you die within the first three years of retirement from active Plan participation, your Salary Continuation Benefit equals your Death Benefit Basis (see page 11) at retirement. The benefit is reduced by 1/12 every three months following your retirement from eligible service.

If you die after the third year of retirement or die after having retired from an inactive status and meet the Rule of 70 (see page 11), the minimum benefit of \$8,000 will be paid to your beneficiaries.

The Salary Continuation Benefit will be paid in 12 equal monthly installments to your designated beneficiary or eligible survivors unless the benefit amount is \$8,000, at which point the benefit will be paid as a one-time payment.

You may name anyone you want as your beneficiary using the Death Benefit Beneficiary Designation form. If you do not designate a beneficiary, this benefit is paid in equal shares to your eligible survivors within the first class of survivors in this order:

1. Your surviving spouse, provided the marriage took place at least one year before your death;
2. Your unmarried dependent children under age 21 and unmarried permanently disabled children age 21 or older if they were dependent on you for support during the 12 months immediately preceding and on your date of death;
3. Your children, regardless of dependency or age;
4. Your estate.

Examples for Salary Continuation Benefit

If an ordained minister member retired February 1, 2010, with a full-time salary at retirement of \$45,000, the member's beneficiaries would receive a series of payments based on the ordained median salary that was \$52,200 at his/her retirement in 2010.

If the member dies between:	Beneficiary receives
February 1 and April 30, 2010	\$52,200
May 1 and July 31, 2010	\$47,850 (11/12ths of median salary)
August 1 and October 31, 2010	\$43,500 (10/12ths of median salary)
November 1 and January 31, 2011 And so forth.	\$39,150 (9/12ths of median salary)

If an exempt lay member retired February 1, 2010, with a full-time salary at retirement of \$40,000, the member's beneficiaries would receive a series of payments based on his/her effective salary at retirement because it was greater than the 2010 median salary of \$38,800 for exempt lay members.

If the member dies between:	Beneficiary receives:
February 1 and April 30, 2010	\$40,000
May 1 and July 31, 2010	\$36,666.67 (11/12ths of actual salary)
August 1 and October 31, 2010	\$33,333.34 (10/12ths of actual salary)
November 1 and January 31, 2011 And so forth.	\$30,000 (9/12ths of actual salary)

Children's Education Benefit

Your eligible dependent children under the age of 25 are entitled to receive the Children's Education Benefit. Please refer to page 7 for a description of this benefit.

Living Needs Benefit

If you are a covered retired member who is terminally ill with a life expectancy of 24 months or less, you may write to the Board of Pensions to request a Living Needs Benefit. You will receive a kit including the necessary forms and information about the estimated amounts you are eligible to receive. Your physician must supply information, but the Board of Pensions may require, at its expense, a second medical opinion.

As a covered retired Plan member, your Living Needs Benefit is equal to the actuarial present value of the \$8,000 minimum Salary Continuation Benefit. To determine the actuarial present value, the Plan applies mortality and interest factors to the value of the benefit you have accrued when you request the funds. These factors are based on the mortality and interest assumptions the actuary uses to determine the cost of the plan.

Members Not Enrolled at Retirement

Upon the death of a retired Benefits Plan pensioner who was not covered under the death benefits when retirement was initiated, and met the Rule of 70 (see page 11), the member's beneficiary shall receive a minimum single lump sum payment (\$8,000) under the Retiree Death Benefit.

To Claim Benefits

How to Apply for Benefits

When the Board of Pensions learns of a member's death, a Death Benefits Claim form is sent to the appropriate beneficiary, dependent, or personal representative of the estate. Your beneficiary or executor may also request this claim form, as well as assistance in filling out the form, from your Member Services at 800-773-7752 (800-PRESPLAN). The Board of Pensions needs a copy of the death certificate before any benefits can be paid. After receiving the required documentation, the Board of Pensions processes the request and begins payment of death benefits.

To make sure the death benefits function as you intend to protect your family, please make sure to keep your beneficiary designations current. Forms and information are available by calling the Board of Pensions or by visiting Pensions.org.

If the Claim is Denied

If the claim for death benefits is not processed in whole or in part, your beneficiaries receive a written notice from the Board of Pensions. This notice includes:

- the specific reason that the death benefit is not payable
- the specific Death and Disability Plan provision(s) which prevent payment of a benefit
- a request for additional information, if needed to reconsider the claim
- an explanation of the Plan's procedures to appeal

If a beneficiary disagrees with the decision, he/she may appeal.

For more information about the appeals process, please call 800-773-7752 (800-PRESPLAN) and ask for a copy of the "Appeals Process Guidelines."

Plan Amendment and Termination

The right to amend the Benefits Plan is reserved solely to the Board of Pensions. The Board notifies the General Assembly, Plan members, local churches, and presbyteries of changes to the Death and Disability Plan in a manner that is reasonable and appropriate depending on the nature of the changes.

Although your employing organization and the Board of Pensions expect and intend to continue the Death and Disability Plan indefinitely, they reserve the right to modify, terminate, or suspend this plan and its provisions at any time by action of the Board of Directors.

For More Information

This booklet provides a summary of the provisions of the Death and Disability Plan. The complete terms are contained in the official Benefits Plan of the Presbyterian Church (U.S.A.) document, and in the case of any discrepancy between this summary and the Plan document, the official Plan document shall govern. If you have questions or need more information about your benefits, contact:

The Board of Pensions of the Presbyterian Church (U.S.A.)
2000 Market Street, Philadelphia, PA 19103-3298
800-773-7752 (800-PRESPLAN)

You may also access general plan information and forms on our Web site at Pensions.org.

Glossary

Actuarial Present Value

The value in present dollars of a payment or payments to be made in the future. To determine the actuarial present value, the amount of the future payment is reduced to reflect future interest accumulations and the probability that the recipient dies without receiving the payment.

Actuarial Assumptions

Factors actuaries use to forecast future benefit costs. Such factors include plan expenses, turnover, mortality, interest rates, assumed retirement age for pensions, and healthcare cost and utilization trends for medical services.

Actuarial Equivalent

Equivalent Actuarial Present Value of the total amount expected to be received under different forms of payment based upon the Actuarial Assumptions.

Church Plan

A benefits plan sponsored by a religious organization for its clergy and lay workers. Church plans are exempt from many Internal Revenue Code reporting and disclosure requirements and the Employee Retirement Income Security Act (ERISA), unless they elect otherwise. The Death and Disability plan is not subject to ERISA.

Death Benefits Basis

The greater of the member's annual effective salary (up to the maximum compensation allowed by the IRS for qualified plans—\$245,000 in 2010) or the annual churchwide median salary for his/her employment classification.

Dues

Each employing organization's representative share of the total cost of the Benefits Plan. Dues are not related to the benefits paid to individual members; rather, they represent an equitable distribution of the total cost of the Plan among the various participating organizations. The dues for members with Traditional coverage are determined on the basis of effective salary (see also Effective Salary).

Effective Salary

Effective salary is any compensation paid during a Plan year to a Plan member by an employing organization; it is used to determine pension credits earned by the member, death and disability benefits, medical deductible and cost-sharing requirements, and dues paid by the employing organization. Effective salary includes sums paid for housing (including utilities and furnishings) allowance and deferred compensation (funded or unfunded) provided to a member by an employing organization during a Plan year. Other employer-provided group benefits and employer matching contributions to the Retirement Savings Plan are not included in effective salary.

Living Needs Benefit

A Benefits Plan provision that allows members of the Plan with death and disability coverage who are terminally ill to apply for advanced payment of part of their death benefits under the Plan.

Rule of 70

The Rule of 70 provides a way for Benefits Plan members under the age of 65 to qualify for retiree medical coverage. The Rule of 70 requires that:

- You must have at least 5 year of Benefits Plan participation, and
- Your age and years of Benefits Plan participation at termination must equal 70 or more.

If you satisfy all of these conditions, then you may subscribe for retiree medical coverage from the Board of Pensions, which generally is less costly than other retiree healthcare plans.



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