

## The Pension Plan

*The Pension Plan provides monthly retirement pension payments for the life of the plan member and the survivor, and helps provide financial security when combined with Social Security and personal savings. When financially possible, increases known as experience apportionments protect the value of the pension from inflation (see chart on back).*

### Type of Plan

The Pension Plan is a defined benefit plan, which means it provides a monthly benefit, as defined by the plan's formula, for as long as you live. It differs from the 403(b)(9) Retirement Savings Plan, to which you and/or your employing organization make contributions.

### Vesting

Pension credits granted in the Pension Plan are 100% non-forfeitable (vested) at the earliest of when:

- you complete three years of eligible service
- you reach age 65
- your employer withdraws from the plan
- the Pension Plan terminates

Ordained clergy are vested as soon as contributions are made on their behalf. Seminary attendance counts toward the vesting period.

### Yearly Pension Credit

A benefit of 1.25% of the greater of your total annual effective salary (up to \$250,000) in 2012 or the median salary of your employment classification is added to your accrued annual benefit during each year you participate as an active Pension Plan member.

### Experience Apportionments

Periodic increases to the benefits of all plan members — retired, active, and terminated — are made at the discretion of the board of directors, based on established guidelines.

Any experience apportionment granted by the board of directors is a permanent increase in the pension benefits for the life of plan members and their surviving spouses.

### When the Plan Pays

**Normal retirement:** age 65

**Early retirement:** after attaining age 55; the benefit is actuarially reduced for all pensions beginning before age 65

**Post-normal retirement:** after attaining age 65; the benefit is increased for all pensions beginning after age 65

**Termination with vested benefits:** reduced pension payable as early as age 55

**Survivor's pension:** payable to eligible survivors at the death of a vested member before or after retirement

**Cashouts:** payable in a single sum that is equivalent to all future benefit payments to terminated vested employees whose pension credits have an actuarial value of \$5,000 or less or retirees whose benefit payment is less than \$50 a month

### Payment Options

**Joint and Survivor Options:** Members married at least one year at retirement may elect to increase the survivor's pension benefit payable under the plan; monthly retirement pension benefits are adjusted to account for the larger survivor's pension.

**Social Security Leveling:** Active members who retire before attaining age 62 may elect to receive the same level of combined benefits before and after receiving Social Security benefits.

*If any discrepancy exists between this product sheet and the official Retirement Savings plan document, the official plan document governs. Visit [Pensions.org](http://Pensions.org) or call the Board of Pensions at 800-773-7752 (800-PRESPLAN) for a copy of this official document.*

### Historical Record of Experience Apportionments of the PCUSA, and Compound Effect of Apportionment and CPI Increases

Operational Year	CPI			Apportionments			Year in which Apportionment Is Applied
	Annual Increase in CPI	Increase Through 12/31/10 Compound	Annualized	Annual Increase	Increase Through 12/31/10 Compound	Annualized	
1987	4.4%	98.3%	2.9%	5.0%	178.7%	4.4%	1988
1988	4.4%	89.9%	2.8%	7.0%	165.5%	4.3%	1989
1989	4.6%	81.9%	2.8%	8.0%	148.1%	4.2%	1990
1990	6.1%	73.9%	2.7%	0.0%	129.7%	4.0%	1991
1991	3.1%	63.9%	2.5%	8.0%	129.7%	4.2%	1992
1992	2.9%	59.0%	2.5%	4.0%	112.7%	4.1%	1993
1993	2.7%	54.5%	2.4%	8.0%	104.5%	4.1%	1994
1994	2.7%	50.4%	2.4%	3.0%	89.4%	3.8%	1995
1995	2.5%	46.5%	2.4%	8.0%	83.9%	3.9%	1996
1996	3.3%	42.9%	2.4%	6.0%	70.2%	3.6%	1997
1997	1.7%	38.3%	2.3%	11.0%	60.6%	3.4%	1998
1998	1.6%	36.0%	2.4%	10.0%	44.7%	2.9%	1999
1999	2.7%	33.9%	2.5%	9.0%	31.5%	2.3%	2000
2000	3.4%	30.4%	2.4%	3.0%	20.7%	1.7%	2001
2001	1.6%	26.1%	2.3%	0.0%	17.2%	1.6%	2002
2002	2.4%	24.1%	2.4%	0.0%	17.2%	1.8%	2003
2003	1.9%	21.2%	2.4%	2.0%	17.2%	2.0%	2004
2004	3.3%	18.9%	2.5%	3.0%	14.9%	2.0%	2005
2005	3.4%	15.1%	2.4%	3.6%	11.5%	1.8%	2006
2006	2.5%	11.3%	2.2%	3.7%	7.6%	1.5%	2007
2007	4.1%	8.6%	2.1%	3.8%	3.8%	0.9%	2008
2008	0.1%	4.3%	1.4%	0.0%	0.0%	0.0%	2009
2009	2.7%	4.2%	2.1%	0.0%	0.0%	0.0%	2010
2010	1.5%	1.5%	1.5%	0.0%	0.0%	0.0%	2011