



A Reference for Pension Administrators

Companion piece to
*A Guide to Benefits Under
the Lay Defined Benefit Plan*

A Reference for Pension Administrators

As a Pension Administrator, you are a critical link between the Church Pension Fund (CPF) and the lay employees who serve your organization.

- You receive and process CPF's invoice for the assessment payments that keep your lay employees' participation in the Episcopal Church Lay Employees' Retirement Plan (the Plan) active and up to date.
- Both CPF and your lay employees rely on you for timely payments and for communicating accurate and up-to-date information.
- By keeping assessment payments, compensation and other information current, you help ensure that when it's time for your lay employees to apply for pension benefits, they will receive all the benefits they have earned through their Years of Service to employers within the The Episcopal Church.

This reference is intended to help you understand lay pension assessments and how to keep your lay employees' pension accounts current at all times. A detailed explanation of the benefits provided by the Plan is available in the accompanying *A Guide to Benefits Under the Lay Defined Benefit Plan* as well as on our website at www.cpg.org. Additional copies of both this reference and the *A Guide to Benefits Under the Lay Defined Benefit Plan* can be downloaded from the website.

To discuss specific circumstances, call Pension Services at (800) 223-6602; office hours are Monday – Friday from 8:30 am – 5:30 pm ET (excluding holidays) or email Pension Services at benefits@cp.org. To discuss general questions about the Plan, call Client Engagement at (866) 802-6333; office hours are Monday – Friday from 8:30 am – 7:00 pm ET (excluding holidays).

- Who pays pension assessments?**
- The employer pays pension assessments.
 - Resolution D165(a) passed by the 70th General Convention (1991) provides that all employers participating in the Plan are to pay assessments equal to 9% of each eligible employee's earnings.
 - Assessments are required for eligible lay employees who have attained age 21, and have performed the minimum number of months of service and required hours (should not exceed 12 months and 1,000 hours) selected by the employer upon enrollment in the Plan.

How much does an employer pay? The current assessment rate is 9% of the lay employee's assessable earnings as defined below.

What earnings are subject to assessment?

For pension purposes, assessable earnings generally consists of all compensation listed in Box 5 of the Form W-2 plus, any pre-tax contributions towards health and welfare benefits and an amount equal to the housing and utilities furnished to an employee that would not appear in Box 5 of the Form. This means that all overtime, bonuses, commissions and severance pay are included in assessable compensation. Earnings in excess of the applicable IRS limits are not subject to assessment.

Where are assessments sent for payment?

Assessments should be sent to the following address:
The Episcopal Church Lay Employees' Retirement Plan
75 Remittance Drive
Suite 6125
Chicago, Illinois 60675-6125

Where does the pension assessment go?

- The Plan is a defined benefit plan. Under this plan, lay employees accrue benefits that are determined by a formula at the time of retirement, disability or death.
- The assessments fund retirement benefits provided by the Plan and the death benefit provided under The Episcopal Church Lay Employees' Death Benefit Plan.
- Assessments are not held in individual accounts. Rather, they are invested in a general fund of pooled contributions from all employers participating in the Plan.
- These benefits do not fluctuate due to market performance.

- What if payments are late?**
- Assessments are billed in advance, monthly or quarterly, and are due when billed. Late payments may jeopardize a lay employee's benefits and may result in interest charges.
 - Monthly reports are provided to employers which include the status of assessment payments and earnings information.

- Pension benefits are based on a lay employee's years of Credited Service and Highest Average Compensation.
- Each assessment payment adds to the lay employee's earned Credited Service. When assessments are unpaid, the lay employee's pension benefit will not accurately reflect his or her actual service.

Remember, a lay employee's Credited Service is not based on years of service to the employer, but on the period of months and years of service for which assessments are paid throughout the compensated work history.

If assessments are unpaid for more than six months, benefits at risk include:

- the pre-retirement survivor benefit,
- disability retirement benefits,
- the death benefit, and
- accumulation of vesting and Credited Service.

What if the Plan information is incorrect?

- We rely on you and your lay employees for accurate information about earnings and changes in work and family status. Incorrect information places benefits at risk.
- Each assessment notice you receive provides space for earnings updates and employment changes.
- Every fall, lay employees receive a Personal Information Summary which allows them to verify such information as name, address, beneficiary's name, etc., as well as earnings and Credited Service. The Personal Information Summary also provides each lay employee with an estimate of his or her retirement benefit.

How do we report changes in earnings?

Changes in earnings must be reported to Pension Services by completing section 3 of the assessment notice, or via the Change in Lay Employee's Earnings/Duties form (available for download at www.cpg.org/pensions/forms).

What should I do if the assessment notice is inaccurate?

Contact Pension Services at (800) 223-6602. We'll re-compute the assessment amount for you and issue a corrected assessment notice.

Corrections to the Plan's earnings and/or employment records will only be accepted for two years following the year in which the earnings or employment change became effective. No retroactive earnings corrections or notices of new employment will be accepted after the end of the second year following the year in which they became effective. However, assessments are due until retirement or death of the participant.

What should I do when a new lay employee joins our staff?

Sometimes the lay employee or former employer notifies CPF, but it's always best for you to verify the earnings, start date and other pertinent information with Pension Services by completing and mailing an Employee Application for Membership form (available for download at www.cpg.org/pensions/forms). For example, you may want to contact Pension Services to determine whether the new employee has worked for a participating employer within the last 30 years, as the employee's prior service will count towards the employee's eligibility and vesting service.

Can we increase retirement benefits by paying more than CPF assesses?

- No. Pension benefits are based on a formula that includes Credited Service and Highest Average Compensation over a period of years as two of the primary factors. Paying increased assessments has no effect on this formula. Further, inflating earnings for a short period of time to achieve a higher benefit would undermine the economics of the Plan.
- Lay employers wishing to supplement a lay employee's income in retirement may select from a wide range of annuity and investment products available in the market. Church Life Insurance Corporation offers several such products. Additionally, an employer may contribute to The Episcopal Church Lay Employees' Defined Contribution Retirement Plan, The Episcopal Church Retirement Savings Plan, or an Individual Retirement Account (IRA).

Do assessments end when a lay employee terminates employment?

- Yes, if earnings end on the same date. However, if earnings continue under a severance agreement, then assessments must continue to be paid.
- Including Pension Services personnel in the planning process will help you and your lay employees make informed decisions under special circumstances.

Can a lay employee keep working after retirement and continue to receive benefits?

- Yes, provided that the lay employee does not work more than 1,000 hours during a calendar year. If the employee works more than 1,000 hours, benefits will be suspended and the employer is responsible to pay assessments on earnings.
- Lay employees may work at a non-participating employer with no restrictions on the place of employment or amount of compensation earned.

Can an employer terminate participation in the Plan?

- Yes, an employer can terminate participation in the Plan. Terminating participation in the Plan ends the employer's obligations to pay assessments for future earnings and service of its eligible employees. Any assessments due for service and earnings prior to the date of termination are still owed to CPF.
- Upon termination of participation in the Plan, employees will be fully vested in their benefits.
- An employer may reactivate participation in the Plan; however, employees will not receive credit for periods of service or earnings during any period of time that their employer is not participating in the Plan.

We hope this will be a handy reference. Keep in mind this reference and the accompanying *A Guide to Benefits Under the Lay Defined Benefit Plan* are only a summary of the Plan and the way it applies to most lay employees. Individual situations may differ in some detail from those described in the Guide, and you may have questions about your own situation. To discuss your specific circumstances, contact Pension Services at (800) 223-6602; Monday through Friday from 8:30am – 7:00pm ET (excluding holidays), or email Pension Services at benefits@cpg.org.

Contact Us

<i>Company or Department</i>	<i>Contact Information</i>	<i>Service</i>
Pension Services	(800) 223-6602 <i>benefits@cpg.org</i> M–F 8:30am – 5:30pm ET	The Lay Employees’ Retirement Plan, Lay Employees’ Defined Contribution Plans, Retirement Savings Plan (RSVP)
Client Engagement	(866) 802-6333 M–F 8:30am – 7:00pm ET	General pension questions or for assistance
The Episcopal Church Medical Trust	(866) 273-4545 <i>mtmedsupp@cpg.org</i>	Post-retirement healthcare benefits questions, including enrollment
Church Life Insurance Corporation	(866) 802-6333 <i>churchlife@cpg.org</i>	Group and Individual Life Insurance, Supplemental Life Insurance, Disability Insurance, Retirement Savings Plan, IRAs, Annuities
Pastoral Care	(800) 223-6602	Pre-retirement questions and personal pre-retirement meetings, disability questions, work after retirement issues
Prudential Life Insurance Company	(800) 732-0416 <i>www.cpg.org/ltc</i>	Long term care insurance
Written correspondence	The Church Pension Fund Att: Pension Services 445 Fifth Avenue New York, NY 10016	

Please note that this reference is provided to you for informational purposes only and should not be viewed as investment, tax or other advice. In the event of a conflict between the information contained in this Guide and the Official Plan Document, the Plan Document will govern. The Church Pension Fund and its affiliates retain the right to amend, terminate or modify the terms of any benefit plans described in this Guide at any time, without notice and for any reason.



Mixed Sources
Product group from well-managed
forests, controlled sources and
recycled wood or fiber
www.fsc.org Cert no. SM-COC-002285
© 1996 Forest Stewardship Council



CHURCH PENSION FUND
Serving the Episcopal Church and Its People

445 Fifth Avenue
New York, NY 10016
(800) 223-6602
www.cpg.org