SUMMARY PLAN DESCRIPTION

of the

COVENANT PENSION PLAN

Except as expressly stated this plan description applies only to participants retiring after July 1, 2003.

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SUMMARY PLAN DESCRIPTION
COVENANT PENSION PLAN
I. INTRODUCTION

The Evangelical Covenant Church provides participating ministers (term hereafter also includes full-time missionaries) future retirement benefits through the Covenant Pension Plan. This booklet is intended as a simplified explanation of the Plan. However, the Plan is established and operated under the terms of a lengthy document and in the event of any inconsistency between the provisions of the booklet and the Plan document, the terms of the Plan document shall control. The Plan document may be examined by any participant or beneficiary at the principal office of the Administrator of the Plan and at such other places as may from time to time be designated. Upon written request to the Administrator, a copy of the Plan document will be sent to any participant or beneficiary upon payment of a reasonable charge to cover the cost of furnishing such document.

You should read this Summary Plan Description carefully as it gives a detailed description of the Plan, what benefits it provides, and how they may be obtained. If you need additional information, you should contact the Board of Pensions and Benefits.

II. BASIC INFORMATION

1. Plan Name: Covenant Pension Plan

2. Plan Sponsor: The Evangelical Covenant Church
8303 W Higgins Rd
Chicago, IL 60631 (773)784-3000

3. Type of Plan: The Plan is a defined benefit pension plan which provides benefits to participating ministers determined by a preset definite formula. All costs of the Plan are paid by the Employer. The Plan is a church plan and, as such, it is not covered by the Employee Retirement Income Security Act of 1974 (ERISA) and benefits are not guaranteed by the Pension Benefit Guaranty Corporation.

4. Plan Administrator: Board of Pensions and Benefits The Evangelical Covenant Church
8303 W. Higgins Rd. Chicago, IL 60631 (773)784-3000

The Board of Pensions and Benefits is elected by delegates from the churches and is responsible for management of the Pension Plan.

5. The assets of the Plan are held by the trustee which is The Evangelical Covenant Church.

The audited financial statements of the Plan are reported annually to the Covenant Annual Meeting and are available upon request.

6. Plan Year: Plan financial records are maintained on a Plan Year basis which begins on each January 1 and ends on the following December 31.

III. ELIGIBILITY

Covenant ministers who hold the Ministry License, the Consecrated Missionary Credential, are Ordained to Word and Sacrament, Ordained to Word and Service or Commissioned and are serving in the denomination, in one of its conferences or in Covenant churches are required to participate in the Plan. A minister who is an associate member of the Covenant Ministerium employed fulltime may participate with the consent of an Employer included in the Plan. An Employer is the Covenant, any regional conference of the Covenant, any church which is a member of the Covenant, and any institution, school or other entity approved by the Board of Pensions and Benefits as an employer to be included in the Plan. (revised 11/13)

A minister described in the preceding paragraph is eligible to participate on the first day of the month coincident with or immediately following the 1000th hour of service within the eligibility computation period for which a contributing Employer is required to contribute to the Trust on the minister's behalf. The initial eligibility computation period is the twelve-consecutive-month period beginning with the employment commencement date. Each succeeding computation period will begin with the Plan Year which includes the first anniversary of the participant's employment commencement date.

IV. RETIREMENT BENEFITS

The monthly retirement benefit payable for life to which a vested participant is entitled when the participant retires from an Employer on or after the participant's sixty-fifth birthday is 1/12 of 1½ percent of the participant's total considered compensation. Considered compensation includes annual base salary and other income from the Employer, including housing and utility allowances, if any. Where a parsonage is provided, base salary for purposes of this calculation is increased by 33 percent or $4,200, whichever is greater. In no event is considered compensation for any one participant reported as less than $9,000 a year after January 1, 1974. Participants shall receive credit for considered compensation as follows:

(a) $3,200 for each year of service prior to January 1, 1972,

(b) $6,400 for each year of service from January 1, 1972, to December 31, 1973,

(c) considered compensation received from January 1, 1974, for which the Employer has made payments to the trust fund.

For example, if a minister earned $30,000 annually (with the employer paying $3750 into their fund per year) for 35 years, for an accrued total of $131,250, at retirement the pension checks would be $1313 per month or $15,756 per year until death, in addition to Social Security and any other annuities.

As of January 1, 2008, a participant of normal retirement is provided a minimum pension of $989.00 per month. This includes all vested participants with 25 years or more of service. This minimum pension is reduced by 1/25 for each year of service less than 25. Upon early retirement (Section VI) or upon the election of the optional surviving spouse benefit (Section V), the minimum pension will be reduced in accordance with the applicable rule in addition to any reduction for less than 25 years of service. The minimum pension for surviving spouse is $742.00 per month.

V. SURVIVING SPOUSE

When a participant of the Plan dies while actively employed, the spouse receives 65% (effective 7/1/01) of what the participant would have received if retirement occurred the day before death and both persons meet the requirements of the Plan. The spouse of a retired participant receives 65% of the benefit plan the retired pastor was receiving (effective 7/1/01), unless they have elected, two years prior to retirement, at a discount in the overall benefit level, an option where the spouse can receive 75% or 100% of the participant's benefit. If the participant elects such an option but the participant or spouse dies before the participant's actual retirement, the election of the option is void, and the participant's pension is paid as if such election had not been made.

VI. EARLY RETIREMENT

A vested participant is eligible for an early retirement pension on or after attainment of age sixty-two. The amount of the early retirement pension is calculated by reducing the participant's normal retirement benefit by ½ percent for each month the participant's retirement precedes the participant's attainment of age sixty-five.

VII. DEFERRED VESTED RETIREMENT

Each vested participant who terminates employment prior to the participant's early or normal retirement date shall be eligible to receive a vested deferred retirement pension, commencing upon attaining the normal retirement date (age 65), or the early retirement date (age 62). The amount of the early retirement pension shall be calculated by reducing the participant's normal retirement benefit by ½ percent for each month the participant's retirement precedes the participant's attainment of age sixty-five.

VIII.DISABILITY RETIREMENT

If a vested pension plan participant becomes totally and permanently disabled, the participant is eligible for a pension at the participant's normal or early retirement date. For those years in which the participant is disabled and credit is granted, the compensation shall be considered to have been at least one-half the published Covenant pastor's current average annual salary, effective July 1, 2002. An early retirement pension will be reduced as described in Section VI above.

After July 1, 2002, if the disabled participant is covered by the Bethany Benefit Services Long Term Disability plan, Bethany Benefit Services will pay into the pension plan the pension contribution at 12½% of the salary at the date of disability. This will continue as long as the disability continues or to age 65, whichever comes first. This benefit is available to new LTD participants and is subject to Bethany Benefit Services having continuous coverage for this benefit.

IX. VESTED INTEREST

A vested participant is a participant who meets at least one of the following criteria:

1 Any participant with at least five years of service earned after January 1, 1986, or

2 Any participant active on January 1, 1986, with at least five years of service earned any time, or

3 Any participant with at least ten years of service earned after January 1, 1972, or

4 Any participant active on January 1, 1972, with at least ten years of service earned any time, or

5 Any participant with at least twenty-five years of service earned any time, or

6 Any participant who attains the age of 65 while engaged under covered employment by an employer required to make contributions to the plan.

Until a participant meets one of the above criteria, the participant is not entitled to any benefit under the Plan.

X. CONTINUED WORK AND LATE VESTING

A vested participant shall be eligible for a normal pension on or after the participant's sixty-fifth birthday. The pension benefit will be calculated from the considered compensation paid into the fund as of the participant's sixty-fifth birthday. If the participant chooses to continue fulltime work, he or she shall have their employer continue to pay into the pension plan. At retirement from any other subsequent employer, benefits will be recalculated and paid at the recalculated rate thereafter; however, benefits will not be recalculated more often than annually. Any participant who attains the age of 65 while engaged in covered employment by an employer is required to make contributions to the plan.

XI. BENEFITS UNDER THE PLAN UNASSIGNABLE

A participant's benefits under the Plan are not subject to the claims of creditors and neither a participant or beneficiary has any right to alienate, anticipate, pledge, encumber, or assign any of the benefits or payments or proceeds which he/she may expect to receive, contingently or otherwise, under the Plan. The only exception to this rule is in the case of a Qualified Domestic Relations Order (QDRO). The Plan may be required to use some or all of a participant's benefits to pay court ordered child support, alimony, or other property settlement directly to a spouse, former spouse, child or other dependent. A participant who expects that a QDRO will be entered which will affect his/her account balance should contact the Board of Pensions and Benefits immediately because the QDRO must meet specific statutory requirements. A copy of the procedures governing QDRO determinations can be obtained, without charge, from the Director of Pensions.

XII. ADMINISTRATION

The Board of Pensions and Benefits shall have the exclusive right in their sole discretion to interpret the terms and provisions of the plan and to resolve all questions arising thereunder, including ambiguities, inconsistencies or omissions in the plan. All interpretations, determinations and decisions of the Board of Pensions and Benefits in respect of any matter or question arising under the plan shall be final.

XIII.CLAIMS PROCEDURE

1. A timely written application for benefits shall be filed with the Board of Pensions and Benefits on a form prescribed by them.
2. If a claim is denied, in whole or in part, written notice of such denial shall be furnished to the applicant setting forth, in a manner calculated to be understood, the following:
(a) The specific reason or reasons for the denial;

(b) A specific reference to the pertinent Plan provisions on which the denial is based;

(c) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary;

(d) An explanation of the claim review procedure.
3. An applicant whose claim has been denied in whole or in part (or a duly authorized representative) may appeal such denial to the Board of Pensions and Benefits by making a written request for a review and may review pertinent documents and submit issues and comments in writing. A written request for review must be filed within 60 days of the date an applicant has been notified of the denial or partial denial of his claim.

4. The decision on review shall be made promptly and within 60 days of receipt of the request for review (unless extended to 120 days due to special circumstances), shall be in writing, and shall include specific reasons for the decision, written in a manner calculated to be understood by the applicant, and specific references to the pertinent Plan provisions on which the decision is based.

XIV. AMENDMENT AND TERMINATION OF PLAN

This Plan may be amended or terminated by the Covenant at any time. Upon termination of the Plan, or a complete discontinuance or contributions, the assets of the Trust shall be liquidated, after provision is made for the expenses of liquidation, by the payment (or provision for the payment) of benefits, in the following order or preference:

(a) To each retired participant and surviving spouse who is receiving a pension on the date of termination;

(b) To each active participant who attained age sixty-five and completed ten or more years of service prior to the date of termination; and

(c) To participants who attained age fifty-five and completed ten or more years of service prior to the date of termination; and

(d) To all other participants according to the respective actuarial values of their accrued benefits as of the date of termination.

If the assets of the Trust applicable to any of the above groups are insufficient to provide full benefits for all persons in such group, the benefits otherwise payable to such persons shall be reduced proportionately and no benefits shall be paid to any person in a succeeding group.

The Board of Pensions and Benefits will make changes to the rules of the Pension Plan for the purpose of compliance with federal laws, rules and regulations as they now exist or as they hereinafter are enacted.