

Over Age 65 (payment phase)

- Either retired & receiving final pension,
- OR continuing to serve & receiving a current pension

65+, Retired & Receiving Final Pension
 No Implications - your benefits from the CPP will continue, unaffected. Our hope is that a proactive reorganization will provide better future opportunity to evaluate cost of living increases for faithful pastors.

65+, Serving & Receiving Current Pension
 After 12/31/19, No further contributions to the CPP are allowed "Post-65." Future contributions -> 403b9.

Covenant Pension Plan
 A "final" CPP benefit payment will be calculated in January 2020 to reflect the full accumulated value of all contributions to date.

GuideStone 403b9
 All future 12.5% mandatory employer funding will now be directed to the GuideStone 403b9 after 12/31/2019.

Under 65, Serving + Fully Vested in CPP
 You are free to continue accruing benefits in the Covenant Pension Plan. If desired, any "Active" participant may elect a one-time, annual (and irrevocable) option to "freeze" the current CPP benefit – directing 100% of future employer contributions to the 403b9. You have plenty of time! This is an "annual" option, and the first election = June 30, 2020, then "effective" January 2021.

403b9 Conversion Education & Election Forms
 Conversion option forms (and participant education) will be provided in early 2020, well in advance of initial June deadline.

Under Age 65 (accumulation phase)

- Serving & fully vested in the CPP
- Inactive, but fully vested in the CPP
- Not yet vested in the CPP (whether active or Inactive)

Under 65, Inactive, but Fully Vested in CPP
 Certain Inactive but vested participants will receive an "optional" buyout in 2020. This allows for CPP assets to be "rolled" to another eligible plan, if desired. Eligibility requires continuous inactive, vested status from 1/1/2019 through March 2020.

Declining a buyout = Retain Full Future Rights in the CPP
 You will retain future access to Covenant Pension Plan and 403(b)(9) plan with GuideStone.

Accepting a buyout = Forego Future Rights in the CPP
 Lump-sum buyout offers are "optional," allowing inactive participants to consider rolling proceeds to another eligible retirement account (if desired)—generally with no tax consequence. Buyout formulas will be explained in detail at the time of 2020 offer. Offers are entirely optional, unless the value of the buyout is small (less than \$5,000, as these will be forced / mandatory). If accepted, no future access to the CPP.

Under 65, Non-Vested (serving or inactive)
 If you are not yet fully vested in the CPP, you still retain substantial rights in this reorganization. There is a 7-year window for CPP vesting (December 2026). After this period, non-vested participants will be required to shift future contributions to the 403b9. However, service in the 403b9 will count for vesting purposes on accrued benefits remaining in the CPP.

INITIAL PASTORS - IMMEDIATELY AFFECTED ON 12/31/2019

- Over 65, Serving and Contributing
- New Hires after 12/31/19
- New Credentials after 12/31/19



COMMON PLAN FEATURES

Identical mandatory funding requirement = 12.5% of annual compensation (base salary + housing)

Identical list of mandatory ECC ministerial credentials

Both plans offer Housing Allowance Designations available to ministers in retirement

“Voluntary” participants (non-ECC settings) will be allowed as approved by the Board of Pensions

CPP PLAN FEATURES

- “Defined Benefit” in Retirement
 - *Pension = 1.5% of cumulative compensation (if funded)*
- Not a “personal account” / generally not portable (*except in case of buyout offer*)
- “Years of service” relevant for both vesting & “Minimum Benefit” eligibility
 - *Min. \$989.00/month with 25 Y.O.S.*
- Vesting requirement = 5 years of service
- No benefit to waiting to receive pension after 65—so make sure to apply on time.
- Surviving spousal benefit (65%) is “built-in” to the benefit formula.
- At age 63, you can select a higher spousal % without medical review (*such election reduces the primary participant benefit*).

GUIDESTONE 403B9 PLAN FEATURES

- Full “Participant Balance” in Retirement
- Personal Account / generally portable
- After 12/31/19, Loans will NOT be available
 - *Limited hardship withdrawal option*
 - *Limited retirement benefit (at 59.5)*
- Immediate vesting of all contributions
- Subject to Required Minimum Distribution (RMD) rules
- Initial investment lineup will remain identical to the current “optional” 403b9 plan
- No stated spousal %, as spouse / estate captures all residual value after death.

NEXT STEPS FOR ECC CHURCHES & CONFERENCES

- ALL ECC churches, conferences should enroll ASAP in the **GuideStone 403b9**.

Initially, though most will not have any “mandatory” participants, enrollment provides a wonderful, optional benefit for all local W-2 employees, while creating “readiness” for future compliance.

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- Then, ensure mandatory participants are enrolled at 12.5% after 12/31/2019.
 - Over 65 and continuing to serve
 - New credentials
 - New hires who maintain “option” on plan at time of hire
- Lastly, watch for a steady stream of education and information on 403b9 plan investing, as well as tools to help existing pastors evaluate plan options.

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