United Methodist Personal Investment Plan

Summary Plan Description

General Board
Pension and Health Benefits
Caring For Those Who Serve

If you have any questions, please contact the
General Board of Pension and Health Benefits,
1901 Chestnut Avenue, Glenview, Illinois 60025-1604.
You may call us at **1-800-851-2201** Monday through Friday, from 8:00 a.m. to 6:00 p.m., Central time,
or visit our website at **www.gbophb.org**.

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IMPORTANT INFORMATION

This booklet is a Summary Plan Description (SPD), which provides information regarding the United Methodist Personal Investment Plan (UMPIP).

You will notice that some words used in this SPD begin with capital letters. These words have special meanings and are addressed in a glossary at the end of this SPD to assist you in better understanding your benefits. Please keep in mind as you read this SPD that it is a summary of UMPIP's main features and not a detailed description of all provisions. The complete details of UMPIP can be found in the official UMPIP plan document, which is available to you upon request. You can always access the most current version of the SPD on the General Board of Pension and Health Benefits (General Board) website at **www.gbophb.org**.

Your Plan Sponsor has elected certain UMPIP options, such as type and amount of contributions and a vesting schedule. The General Board has prepared a document, *UMPIP and You*, that reflects the choices of your Plan Sponsor. To fully understand your benefits, please read this SPD along with *UMPIP and You*.

This SPD describes the terms and conditions of UMPIP and is based on the plan document, effective January 1, 2016. Every attempt has been made to accurately summarize these terms and conditions; however, if there are any discrepancies between this SPD and the plan document, the UMPIP plan document will govern at all times. The plan document constitutes the legal embodiment of the terms and conditions of UMPIP, which is subject to amendment or termination as provided therein.

Similarly, if there are any discrepancies between *UMPIP and You* and your Plan Sponsor's applicable Adoption Agreement, your Plan Sponsor's applicable Adoption Agreement will govern at all times. Nothing contained in this SPD is intended to be nor will be construed as constituting a contract of employment with any Employee or Participant or a contract or other arrangement between the General Board or Trustee and any Employer, Plan Sponsor, Participant or any other person.

Furthermore, the General Board may change the statements made in this SPD at any time. All distributions, in-service loans and withdrawals are subject to rules adopted by the General Board as the administrator of UMPIP and may require the submission of forms. Moreover, the General Board has the authority to interpret the provisions of UMPIP and the SPD, to develop administrative rules and procedures and to resolve or otherwise decide matters not specifically covered by the terms and conditions of UMPIP. The General Board and the Plan Sponsor have additional powers and duties; please contact the General Board for more information. You may request the plan document at any time.

INTRODUCTION

Although there are records of retirement plans going back to colonial times, such plans were few and far between until the American Express Company introduced a pension plan for its employees in 1875. Given this historical perspective, The United Methodist Church is justified in claiming a long and proud tradition of providing retirement benefits to those in its service. In 1796, The Methodist Episcopal Church introduced its retirement program, called the Chartered Fund, at a time when any type of benefit plan was quite rare. The United Methodist Church continues this proud tradition today through the wide variety of benefit plans and programs administered by the General Board. One such plan is The United Methodist Personal Investment Plan (UMPIP).

Before you begin reading this SPD, please check to make sure you have the *UMPIP and You* summary sheet, which outlines the specific provisions your Plan Sponsor has elected, such as contribution rates. A *UMPIP and You* summary sheet was mailed to you when you were enrolled in the plan.

UMPIP is the amendment and restatement of the Cumulative Pension and Benefit Fund (CPBF) and the Personal Investment Plan (PIP) and was effective January 1, 2006. UMPIP consists of both Participant Contributions and Plan Sponsor Contributions, if any, made on your behalf.

Here are some highlights of how UMPIP works:

- You can make before-tax, Roth and/or after-tax Participant Contributions.
- You can save a percentage or dollar amount of your Compensation on a before-tax basis. Before-Tax Contributions are withheld from your Compensation before your federal and, in most cases, state and local income taxes are withheld. This lowers your taxable income and, in turn, lowers your current taxes. (Remember, you may owe income taxes on distributions from UMPIP in the future.)
- You can also save a percentage or dollar amount of your Compensation as Roth contributions. This means that your Roth contributions to UMPIP have already been taxed. You will not owe income tax on these contributions when they are distributed to you. However, you may owe taxes on the earnings on your Account when you take a distribution if it is a non-qualified distribution. Refer to the "Taxation Considerations" section for more information.
- You can also save a percentage or dollar amount of your Compensation on an after-tax basis. This means that your Contributions to UMPIP have already been taxed. You will not owe income tax on these Contributions when they are distributed to you. However, you may owe taxes on the earnings on your Account when you take a distribution. (Clergy may avoid taxation because of a housing allowance exemption.)
- Your Plan Sponsor may also make Plan Sponsor Contributions to UMPIP on your behalf. See *UMPIP and You* to determine whether your Plan Sponsor makes Plan Sponsor Contributions. If you are a Clergyperson, your Plan Sponsor may be your Conference or your Salary Paying Unit, and you may have one Plan Sponsor for Participant Contributions and a different one for Plan Sponsor Contributions.
- You decide how to invest your Contributions. UMPIP offers a variety of investment fund options, each with lower annual fund operating expenses and a history of competitive returns both as compared to mutual funds with similar investments. All of the investment funds adhere to the General Board's sustainable investment guidelines, directed by the *Social Principles* of The United Methodist Church as outlined in *The Book of Discipline*.
- You are immediately 100% vested in your Participant Contributions. Plan Sponsor Contributions, if any, may be subject to a vesting schedule. (See *UMPIP and You* for specific details.)
- UMPIP is designed to provide retirement income. Generally, you can receive a distribution from your Account upon your Retirement, Termination of Employment, Termination of Conference Relationship or disability.
- In addition, UMPIP allows you to withdraw or borrow money from your Participant Contribution Account if you have an approved financial hardship or to withdraw money from your Participant Contribution Account if you are age 59½ or older.
- You may roll over accounts from your other qualified retirement plans to your Rollover Account in UMPIP and elect to receive withdrawals from your Rollover Account at any time.

- Upon your death, your Account is available to your Spouse or Beneficiary.

To make good decisions and take full advantage of UMPIP features, you should understand how UMPIP works. The best way to start is to read this SPD and *UMPIP and You*.

Questions? For additional information regarding UMPIP or the other plans administered by the General Board, or investments and financial planning, please visit the General Board's website at **www.gbophb.org**. For information about your Account, you have 24 hour, seven days a week access through Benefits Access at **www.benefitsaccess.org** or call **1-800-851-2201**. You also can call and speak with a customer service representative at **1-800-851-2201** Monday through Friday between 8:00 a.m. and 6:00 p.m., Central time. For specific information regarding your Plan Sponsor's elections for UMPIP, you may want to contact your Plan Sponsor directly. Throughout this document, we will refer you to Benefit Access, the automated phone system or the General Board if you want more information about your Account or you have questions about the content of this SPD.

ELIGIBILITY AND ENROLLMENT

You must be an Employee of the Plan Sponsor or a Clergyperson appointed by or to your Plan Sponsor and not a leased employee to participate. If your Conference, Employer or Salary-Paying Unit has agreed to sponsor UMPIP for you for Participant Contributions, you are immediately eligible to make Participant Contributions to UMPIP. In addition, you must receive Compensation and have entered into a Salary-Reduction Agreement or have been automatically enrolled by your Plan Sponsor if such enrollment was elected in the Adoption Agreement. (See the "Automatic Enrollment" section on page 8.) If your Plan Sponsor is your Conference, then your Salary-Paying Unit must agree to withhold Participant Contributions from your Compensation and forward them to the General Board.

Note that your Plan Sponsor may have elected additional requirements that you must meet to receive Plan Sponsor Contributions. See the "Plan Sponsor Contributions" section on page 10.

Enrollment

Before any Participant Contributions can be deducted from your paycheck and before any Plan Sponsor Contributions made on your behalf can be accepted, your Plan Sponsor must submit a completed Enrollment Form to the General Board. Once you are enrolled in UMPIP, your Plan Sponsor will begin contributing to your Account at the next entry date. Your entry date will be:

- Participant Contribution Account: the date you designate for deductions to begin from your Compensation for Before-Tax, Roth and/or After-Tax Contributions;
- Plan Sponsor Contribution Account (whichever of the two following entry date options your Plan Sponsor elected): a) the first day of the month after you satisfy requirements for Plan Sponsor Contributions; or b) the earlier of the next January 1 or July 1.

Important Enrollment Forms

When you are eligible to participate, it is important that you complete the following forms.

Contribution Election Form	Use this form to tell your Employer or Salary-Paying Unit if you elect to make Participant Contributions to UMPIP. You can change your contribution amount or cease making contributions at any time in the future. (Please see the "Participant Contributions" section on page 7.)
Investment Election Form	Use this form to inform the General Board how you want to invest your Contributions. You can change investments at any time in the future. (Please see the "Investment of your Accounts" section on page 16.)
Designation of Beneficiary Form	Use this form to inform the General Board whom you wish to designate as your Beneficiary for your Account upon your death. You can change your Beneficiary at any time in the future. (Please see the "Beneficiary Designation" section on page 5.)

Election Not to Participate (Waive Participation)

When you waive participation, you are not eligible for, nor entitled to, any Participant or Plan Sponsor Contributions for the period during which you waived participation; thus, your Plan Sponsor will not remit Contributions to the General Board on your behalf.

If your Plan Sponsor has chosen not to make Plan Sponsor Contributions or makes matching or conditional Plan Sponsor Contributions (see the "Plan Sponsor Contributions" section on page 10 and refer to *UMPIP and You*), you may choose not to participate in UMPIP by completing a *Contribution Election* form indicating you do not wish to make Participant Contributions. If you do not make Participant Contributions to UMPIP, you will not receive any matching or conditional Plan Sponsor Contributions.

If your plan sponsor has chosen to make non-matching Plan Sponsor Contributions (see the "Plan Sponsor Contributions" section on page 10 and refer to *UMPIP and You*), you may choose not to participate in UMPIP by informing your Plan Sponsor and completing a *Waiver of Participation* form not later than 60 days after the effective date of such election. You may revoke your waiver of UMPIP participation at any time while you are eligible for participation, but your Plan Sponsor will not remit Contributions for the period during which you waived participation.

UMPIP is a way for you to prepare for retirement through tax-favored personal savings. The General Board suggests that you seek financial advice if you are thinking about waiving participation in UMPIP.

BENEFICIARY DESIGNATION

Your Beneficiary is the person or persons to whom the General Board will pay your UMPIP Account if you die before receiving a distribution of your entire Account. Your Beneficiary will also receive your Account if the General Board or Plan Sponsor cannot locate you when you must begin receiving a distribution from your Account. (Please see the "Distribution of Your Accounts" section on page 23.)

The General Board has sole discretion in determining the Beneficiary of any Accounts payable under the terms and contributions of UMPIP.

You may designate a Beneficiary by submitting a completed *Designation of Beneficiary for Retirement Plans—Participant* form (Beneficiary Designation Form) to the General Board during your lifetime. You can also make beneficiary designations through Benefits Access at **www.benefitsaccess.org**. If you are married at your death, your primary Beneficiary is your Spouse unless your Spouse consents or consented to the designation of someone else. If you are not married at your death and you did not designate a Beneficiary or your designated Beneficiaries are all deceased or cannot be located, then the General Board will pay your Account to your estate as your default Beneficiary. If you want to direct payment to someone in addition to or instead of your Spouse or estate, it is important that you designate a Beneficiary.

If your Beneficiary does not immediately elect to receive a distribution, he or she may designate his or her own Beneficiary. If he or she does not designate a Beneficiary, the General Board will pay the Account to your Beneficiary's spouse or estate at your Beneficiary's death.

Married Participants

If you are married, you may designate someone in addition to or in place of your Spouse, but your Spouse must consent to the designation as instructed on the Beneficiary Designation Form. If your Spouse does not consent and you die married, your designation will not be effective unless one of the following exceptions applies:

- you are legally separated from or abandoned by your Spouse at your death and you (or your successors) produce a court order confirming such separation or abandonment;
- your Spouse Disclaims all benefits from your Account in writing before receiving them;
- your Spouse cannot be located when you are required to receive a distribution; or
- you have a qualified domestic relations order (QDRO) requiring all or a portion of your benefits to be paid to an Alternate Payee under the QDRO. (Please see the "Assignment of Benefits and Qualified Domestic Relations Orders" section on page 31.)

If you and your Spouse divorced on or after January 1, 1998, any Beneficiary designation you made before the divorce in favor of your former Spouse is automatically revoked. Your former Spouse is no longer your Beneficiary unless:

- the Administrator receives and approves a QDRO that requires UMPIP to pay benefits to your former Spouse as your Beneficiary; or
- you file a new Beneficiary Designation Form with the General Board after your divorce naming your former Spouse as your Beneficiary.

If you and your Spouse divorced before 1998, any CPBF, Ministerial Pension Plan (MPP) or Staff Retirement Benefits Program (SRBP) Beneficiary designation you made before January 1, 1998 in favor of your former Spouse will remain in place unless you file or filed a new Beneficiary Designation Form with the General Board after January 1, 1998 or after your divorce.

Designation Procedures

You may designate one or more individuals, trusts or other legal entities as your Beneficiary subject to Spousal consent (see the abovementioned "Married Participants" section). Each designated Beneficiary will receive an equal share, per capita, unless you clearly specify otherwise on the Beneficiary Designation Form. (If the shares you specify do not equal 100%, each Beneficiary will receive an equal share.) Also, you may designate a primary and a secondary Beneficiary. If your primary Beneficiary is not validly designated, is not alive at your death or disappearance or cannot be located after your death or disappearance, your other primary Beneficiaries, if any, or secondary Beneficiary may receive your Account. The General Board will determine, in its sole discretion, the Beneficiary of your Account pursuant to the terms and conditions of UMPIP.

You may request the Beneficiary Designation Form from the General Board. After completing the form, please sign and return it to the General Board. Your Beneficiary Designation Form is effective only if it is received by the General Board during your lifetime or if it is postmarked or sent by private courier (such as FedEx or the United Parcel Service) to the General Board before your death. The General Board will send a letter confirming receipt and acceptance of your completed Beneficiary Designation Form to you. The most current Beneficiary Designation Form will revoke all previous forms once the General Board accepts it as valid. You can also make beneficiary designations through Benefits Access at **www.benefitsaccess.org**.

It is a good idea to keep a copy of the information you submitted and check it periodically (especially after a birth, death, marriage or divorce) to make sure that it still represents your wishes. If you elect to make a change, you must submit a new form to the General Board or make the changes via Benefits Access.

If you do not complete the Beneficiary Designation Form according to the rules, the General Board may not accept the form and will return it to you. If the General Board determines that your Beneficiary Designation Form is not valid, your previous designation will remain in effect. If the General Board returns a form to you because it is not valid, it is important that you understand the reason and submit a new form with your desired Beneficiary designation. If the reason that the General Board did not accept the form is not clear, please contact the General Board for an explanation. (If the General Board fails to return a form to you, such failure is not an indication that the form is valid.)

The General Board reserves the right to change the Beneficiary designation procedures at any time in accordance with the terms and conditions of UMPIP.

Designation Before January 1, 2006

If you participated in CPBF and/or PIP before January 1, 2006, or MPP or SRBP before January 1, 2007, (or September 1, 2008 for bishops), but did not designate a UMPIP Beneficiary acceptable to the General Board, the Beneficiary designation for these plans will become your UMPIP Beneficiary designation as follows.

If you designated a Beneficiary for CPBF, MPP, SRBP or PIP, but not for UMPIP…	…then your CPBF, MPP, SRBP or PIP designation (whichever is most recent) is your UMPIP Account Beneficiary.
If you designated a CPBF, MPP or SRBP Beneficiary and a PIP Beneficiary, but not a UMPIP Beneficiary…	…then your CPBF, MPP or SRBP designation (whichever is most recent) is your UMPIP Plan Sponsor Contributions Beneficiary, and your PIP designation is your UMPIP Participant Contributions Beneficiary.

However, if your designation was not acceptable at the time of receipt or if you did not designate a Beneficiary on a General Board-approved form, your prior designation will not apply to your UMPIP Account.

Please keep your Beneficiary designation up-to-date. If your Beneficiary dies or you divorce, you may wish to change your Beneficiary designation. You should keep a copy of your most recent beneficiary information submitted to the General Board.

Also, please provide the General Board with your Beneficiary's Social Security number, address and phone number. If your Beneficiary does not submit a claim for benefits or the General Board cannot locate your Beneficiary, he or she may forfeit the benefits. Contact your Plan Sponsor or a General Board customer service representative to request a Beneficiary Designation Form or access Benefits Access.

PARTICIPANT CONTRIBUTIONS

If you have a Plan Sponsor for Participant Contributions, you may contribute to your Account once you are enrolled in UMPIP.

UMPIP permits several types of Participant Contributions:

- Before-Tax Contributions;
- Roth Contributions;
- After-Tax Contributions;
- Rollovers from other qualified retirement plans or IRAs;
- Transfer Contributions from other qualified 403(b) plans; and
- Qualified Voluntary Employee Contributions remitted before January 1, 1987.

The General Board encourages you to save as much as you can by contributing to your Participant Contributions Account. However, the Internal Revenue Code (Code) places some limits on the total amount that you and your Plan Sponsor can contribute. (Please see the “Contribution Limitations and Excess Contributions” section on page 14.)

Before-Tax Contributions

If you elect to contribute to UMPIP on a before-tax basis, your Salary-Paying Unit will deduct your Contributions from your Compensation (i.e., paycheck) before your Salary-Paying Unit has withheld federal and, in most cases, state income taxes. You may elect to contribute either a flat-dollar amount or a percentage of your Compensation. The Contributions are not treated as taxable income in the year they are withheld from your Compensation; thus, the amount will reduce your gross income for federal tax purposes. (If you are a lay employee, the amount will not reduce your income for Social Security taxes or benefits.) Your Plan Sponsor will remit the Contributions to the General Board, which will credit your Before-Tax Contributions Account as soon as practicable after receipt.

After-Tax Contributions

If you elect to make Roth or After-Tax Contributions to UMPIP, your Salary-Paying Unit will deduct your Contributions from your Compensation (i.e., paycheck) after your Salary-Paying Unit has withheld federal and state income taxes. You may elect to contribute either a flat-dollar amount or a percentage to your UMPIP Account. The Contributions are treated as taxable income in the year they are remitted, just as your Compensation is taxable income in the year you receive it. Your Plan Sponsor will remit the Contributions to the General Board, which will credit your After-Tax and/or Roth Contributions Account as soon as practicable after receipt.

Contribution Election Form

To make Participant Contributions, you must submit a completed *Contribution Election* form to your Plan Sponsor or Salary-Paying Unit. By completing this agreement, you are:

- authorizing your Plan Sponsor or Salary-Paying Unit to deduct the amount you specify from your Compensation;
- electing whether you want to contribute on a before-tax, Roth and/or after-tax basis; and
- specifying the amount in the form of a flat-dollar amount or a percentage (equal to at least ½ of 1%) of your Compensation.

The total of your Contributions made to UMPIP is subject to some limits established by UMPIP provisions and sections of the Code. The General Board may correct any excess contributions in a manner consistent with the rules of UMPIP, but together with your plan sponsor, you are responsible for ensuring that your Participant Contributions do not exceed the limits allowed by the Code. (Please see the “Contribution Limitations and Excess Contributions” section on page 14.)

Automatic Enrollment

Your Plan Sponsor may have elected Automatic Enrollment. If so, your Plan Sponsor will automatically enroll you in UMPIP for a predetermined Before-Tax Contributions rate—from 1% to 5% of Compensation—if you do not advise your Plan Sponsor otherwise. Under this option, your Plan Sponsor will automatically begin to deduct the predetermined amount from your Compensation and remit it to the General Board for deposit to your Participant Contributions Account. If you do not wish to have Contributions automatically deducted and remitted to your Account, you must inform your Plan Sponsor and complete the necessary forms prior to any future Contributions. You may stop or change your future Contributions at any time.

Changing Your Contributions

You may change the amount of your Contributions by submitting a new *Contribution Election* form to your Plan Sponsor. You are permitted to make, revoke or revise an election as of any future date. (Some Plan Sponsors may require sufficient notice for payroll changes. Please contact them for more information.) The election, revocation or revision is effective as soon as administratively feasible. If you stop contributing, you may start again at any time by completing a new *Contribution Election* form.

A change to your Participant Contributions may affect your Plan Sponsor Contributions if your Plan Sponsor elected Matching or Conditional Plan Sponsor Contributions. Matching and Conditional Plan Sponsor Contributions are determined by the amount of your Participant Contributions. (Please see the “Plan Sponsor Contributions” section on page 10.) If you stop or reduce your Participant Contributions, your Plan Sponsor Contributions may stop or be reduced. Please check *UMPIP and You* or contact your Plan Sponsor or the General Board for more information.

Rollover Contributions

You can roll over your account balance into UMPIP from a Code section 403(b) plan, 401(a)/401(k) qualified plan, 457(b) government plan or traditional IRA if that balance is an Eligible Rollover Distribution.

Roth IRAs, after-tax contributions in IRAs and Code section 457(f) plan assets cannot be rolled over to UMPIP. However, if you convert your Roth IRA to a traditional IRA, it can be rolled over to UMPIP.

You can roll over amounts into UMPIP if you are a Clergy member of a Conference or a current or former employee of any United Methodist Church-connected employer or organization (even one that did not or does not sponsor UMPIP), surviving spouse or alternate payee.

The amount you roll over is accounted for separately in your UMPIP Rollover Contributions Account.
There are two kinds of rollovers:

- **Direct rollovers:** You must inform the trustee or custodian of the other plan to: a) directly roll the amount over to your UMPIP Account; or b) issue a check payable to the General Board for remittance to your Account.
- **Traditional or indirect rollovers:** You receive a distribution check payable to you and you remit the amount to your UMPIP Account within 60 days after the date of the check.

Transfer Contributions

If you are an Employee or Participant and you have an Account balance in another 403(b)(1), 403(b)(7) or 403(b)(9) plan, you may be eligible to transfer the plan balance to UMPIP. This is an easy way to consolidate your Accounts if you do not qualify for a rollover from the other plan (for instance, if you have not terminated employment with the employer that offers the other plan).

Transfers are permitted only from other 403(b) plans, but not all plans will allow transfers. The General Board must approve and accept all transfers to UMPIP. The General Board cannot accept transfers from non-403(b) plans, such as a Code section 401(k) plan. Once received, the General Board will credit the transfer to your UMPIP Before-Tax, Roth, After-Tax or Plan Sponsor Contribution Accounts, depending upon the type of money being transferred. All transfers must be made directly from the trustee or administrator of the transferring plan to the General Board.

Rolling over or transferring your other retirement plans to UMPIP is a great way to consolidate your retirement monies and simplify administration. The General Board is happy to assist you with the procedures and paperwork to make it easy for you. Please contact us so we can assist you through the process.

Qualified Voluntary Employee Contributions (QVECs)

If you participated in CPBF, MPP or SRBP before January 1, 1987, your UMPIP Account may contain a kind of before-tax contributions called QVECs, which were moved to your UMPIP Account. QVEC balances are held in a separate Account under UMPIP in your name.

PLAN SPONSOR CONTRIBUTIONS

Your Plan Sponsor may have elected to make one or more of the following types of Plan Sponsor Contributions:

- matching,
- non-matching,
- conditional, and/or
- discretionary.

If your Plan Sponsor elects to make contributions, it will also elect the amount of contributions as a percentage of: 1) your Compensation, or 2) your contributions to your Participant Contributions Account. It will elect the frequency of the contributions (by payroll period, monthly or annually). Once the General Board receives the contributions, we will credit your contributions to your Account as soon as practicable.

Please check *UMPIP and You* to learn whether or not your Plan Sponsor elected to remit Plan Sponsor Contributions, and, if so, the contribution type, the amount and the frequency. You may also contact your Plan Sponsor or the General Board for this information.

Plan Sponsor Contributions Eligibility

Your Plan Sponsor may have elected to make Plan Sponsor Contributions on your behalf. Plan Sponsors are not required to make Plan Sponsor Contributions, so check *UMPIP and You* to see if yours does.

Each Plan Sponsor may choose the classification of employees for which it will make Plan Sponsor Contributions. You may only receive the type of Contribution that your Conference, Employer or Salary-Paying Unit chose for your employment classification. To learn if your Conference, Employer or Salary-Paying Unit has elected to make Plan Sponsor Contributions for your employment classification, please contact your Conference, Employer, Salary-Paying Unit or the General Board.

Lay Employees, Clergypersons Under Episcopal Appointment to a Non-Conference-Responsible Plan Sponsor and Retired Clergy

If you are a lay employee or clergyperson in this category, you are eligible for plan sponsor contributions if you satisfy the eligibility requirements that were elected by your Plan Sponsor. These requirements may include:

- Minimum age;
- Minimum Service;
- Minimum Hours of Service;
- Permanent employment;
- Full-time employment;
- Receiving benefits from a long-term disability benefits plan, including the Comprehensive Protection Plan (CPP) for Clergy
- A certain Employee classification.

In addition, you generally must be receiving Compensation from your Plan Sponsor, the Plan Sponsor's Affiliate or your Salary-Paying Unit, including paid leaves, unless you are entitled to retirement contributions pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) or the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act).

Review *UMPIP and You* to determine the eligibility requirements that apply to you for Plan Sponsor Contributions.

UMPIP and You is an information sheet that you should have received from your Plan Sponsor or the General Board. This information sheet describes the specific requirements for eligibility for Plan Sponsor Contributions and other elections made by your Plan Sponsor on its Adoption Agreement. It is important that you read and understand *UMPIP and You* so that you know how UMPIP works for you. If you did not receive or cannot locate this information sheet, please contact your Plan Sponsor or the General Board.

Service Requirement
As mentioned above, your Plan Sponsor may require you to satisfy a Service requirement before you are eligible to participate in UMPIP for Plan Sponsor Contributions. You can find your Plan Sponsor's Service requirement in *UMPIP and You*.

For eligibility purposes, you will earn one Month of Service for the first month you work (e.g., March 15 to April 14) and for each calendar month thereafter: 1) in which you work at least one hour for your Plan Sponsor or Salary-Paying Unit, 2) for which you are paid for at least one hour by your Plan Sponsor or Salary-Paying Unit, or 3) for which you are scheduled or expected to work. You need not be employed or paid for the entire month to receive credit for a Month of Service.

You are credited with an hour of Service for each hour you:

- are directly or indirectly paid or entitled to payment from your Plan Sponsor for the performance of duties for which you are scheduled or expected to work;
- are paid for time during which duties are not performed due to vacation, holiday, illness, incapacity, disability, layoff, jury duty, military duty or leave of absence (not to exceed 501 hours during a single continuous period);
- receive back pay that is awarded or agreed to by your Plan Sponsor; or
- are on a Leave of Absence approved by your Plan Sponsor if you are paid for one hour of service before and after the Leave and you return to work when the Leave is scheduled to end or you retire from the Leave.

If you leave employment with your current Plan Sponsor and are employed by another Plan Sponsor, you will need to meet the requirements of that new Plan Sponsor based on your employment with that Plan Sponsor. Employment with the previous Plan Sponsor will not be considered in determining whether you've met the service requirement with the new Plan Sponsor.

Break-in-Service
If you incur a Break-in-Service and then return to work with the same Plan Sponsor, your pre-break service may or may not count toward your eligibility to participate in UMPIP when you return. You will incur a Break-in-Service if you:

- terminate your conference relationship;
- terminate employment; or
- do not return to work when a Leave is scheduled to end.

If your Break-in-Service was less than one year, your pre-break Service will count towards your total Service for eligibility purposes. However, you will not receive Service credit during your Break-in-Service.

If your Break-in-Service is one year or more, your pre-break Service will not count towards your total Service for eligibility purposes for UMPIP when you return. You will lose all pre-break Service credited before your termination of employment.

Active Clergy Appointed to a Conference-Responsible Salary-Paying Unit
Once you are under Episcopal appointment to a Conference-Responsible Salary-Paying Unit (e.g., local church, conference office, district office) and your Plan Sponsor has adopted UMPIP and elected to make Plan Sponsor contributions, you are eligible for those Plan Sponsor Contributions if you are:

- receiving Compensation;
- on a paid Leave;
- entitled to retirement contributions pursuant to USERRA or the HEART Act;
- receiving disability benefits from CPP, but only if the Conference elects to remit Plan Sponsor Contributions while you are on Medical Leave; or
- on Medical Leave, but only if the Conference elects to remit Plan Sponsor Contributions while you are on Medical Leave.

Bishops
Once elected as a Bishop, you may be eligible for Plan Sponsor Contributions if the General Council on Finance and Administration (GCFA) elects to make Plan Sponsor Contributions and if you are:

- receiving Compensation;
- on a paid Leave;
- entitled to retirement contributions pursuant to USERRA or the HEART Act;
- receiving disability benefits from CPP; or
- on Incapacity Leave, but only if GCFA elects to remit Plan Sponsor Contributions while bishops are on Incapacity Leave.

Plan Sponsor Contribution Types

The following table explains the types of Plan Sponsor Contributions that may be offered by your Plan Sponsor.

Type	Explanation	Example
Matching Contributions	Your Plan Sponsor may choose to contribute a percentage of what you contribute to your UMPIP Participant Contribution Account.[1]	Your Plan Sponsor matches 50% of the amount you contribute to your Participant Contribution Account[1] up to 4% of your Compensation (so the maximum match you could receive is 2%). You contribute 5% of your Compensation of $30,000, or $1,500, for the year. Your Plan Sponsor will contribute 50% of $1,200 (4% of your Compensation), or $600.
Non-Matching Contributions	Your Plan Sponsor may elect to contribute a certain percentage of your Compensation regardless of the amount you contribute.	Your Plan Sponsor contributes 9% of your Compensation of $30,000, or $2,700, for the year to your Plan Sponsor Contribution Account regardless of the amount you contribute.
Conditional Contributions	Your Plan Sponsor may choose to contribute an amount equal to a percentage of your Compensation if you contribute a required amount or more to your Participant Contribution Account.[1]	Your Plan Sponsor elects to contribute 6% of your Compensation if you contribute at least 3% of your Compensation to your Participant Contribution Account. You contribute 5% of your Compensation of $30,000, or $1,500. Since you contribute at least 3%, your Plan Sponsor will contribute 6% of your Compensation, or $1,800. If you contribute 2% of your Compensation, you receive no Plan Sponsor Contribution.
Discretionary Contributions	Your Plan Sponsor may elect to remit a contribution to your Plan Sponsor Contribution Account at its sole discretion. It may or may not elect a contribution from year-to-year. The election often is made after the close of the year.	Because the Plan Sponsor has met its year-end goals (e.g., an increase in new church members), it elects to contribute 9% of your Compensation of $30,000, or $2,700.

[1] **excluding Rollover Contributions**

Under the terms and conditions of UMPIP, the Plan Sponsor is limited in the type and amount of contributions it can make to your Plan Sponsor Contributions Account. Your Plan Sponsor will contribute only if it has elected to do so in its Adoption Agreement and only if you satisfy the eligibility requirements and are enrolled in UMPIP. If you are not eligible to participate, not enrolled or do not remit any required Participant Contributions, you will not receive any Plan Sponsor Contributions.

Your Plan Sponsor is required to remit contributions to the General Board as soon as possible, but in no event later than the due date established by the General Board. If your Plan Sponsor delays in remitting contributions until after this date, your Plan Sponsor may be required to make up the missed or delayed contributions, plus imputed earnings.

Vesting

Vesting refers to the amount of ownership you have in your UMPIP Account. If you are 100% vested, you are entitled to your entire Account balance when you are eligible to receive a distribution. You are always 100% vested in your Participant Contribution Account. Your Plan Sponsor Contribution Account is subject to a vesting schedule elected by your Plan Sponsor. If you are not vested or only partially vested in your Plan Sponsor Contributions at your termination, you will receive only the portion of your Plan Sponsor Contribution Account in which you are fully vested, and the remainder will be forfeited.

Active Clergy Under Episcopal Appointment to a Church, Conference-Responsible Salary-Paying Unit or Conference-Elective Entity

You are 100% vested in the contributions and earnings from your first day of participation.

Lay Employees, Clergy Under Episcopal Appointment to a Non-Conference Plan Sponsor or Retired Clergy (Whether or not Appointed to the Salary-Paying Unit)

Your ownership of the Plan Sponsor Contribution Account is subject to a vesting schedule that your Plan Sponsor elects on its Adoption Agreement. The vesting schedule is based upon your Service with that Plan Sponsor. To check which vesting schedule your Plan Sponsor elected, please see *UMPIP and You*.

Certain events will trigger 100% vesting of your Accounts whether or not you have met the vesting schedule in your Plan Sponsor's Adoption Agreement based on your service. These events are:

- Retirement
- Becoming disabled under your Plan Sponsor's long-term disability plan or the Social Security definition
- Your death, if it occurs before your Termination

If you are a Lay Employee and your date of hire with a Plan Sponsor was on or before December 31, 2005, you are 100% vested in your prior CPBF Account balance as well as any future Plan Sponsor Contributions from that Plan Sponsor in UMPIP.

CONTRIBUTION LIMITATIONS AND EXCESS CONTRIBUTIONS

The Code and related regulations contain many complex rules that determine the maximum contributions you and your Plan Sponsor can make to all of your retirement plans. The General Board has summarized the contribution limits; however, we cannot provide tax advice to you. If you contribute an amount greater than the limit, you are responsible for any taxes, penalties or fees assessed by the IRS and any IRS-required adjustments to your prior years' tax liabilities. Your Plan Sponsor is ultimately responsible for monitoring these limits.

Before-Tax and Roth Participant Contributions Limit

The total of your UMPIP Before-Tax and/or Roth Participant Contributions, plus any before-tax and/or Roth contributions made to any other defined contribution retirement plans, may not exceed $18,000 in 2016. The IRS may adjust this limit in later years as allowed under the Code for increased cost of living. If you contribute more than this limit, you may be able to re-characterize your excess contributions as catch-up contributions.

If you would like more information about contribution limits, call the General Board at **1-800-851-2201** or the Internal Revenue Service (IRS). If you have further questions concerning contribution limitations, you may want to consult your personal tax advisor.

Catch-Up Contributions

15 Years of Church Service

If you have 15 years or more of Service with any organization controlled by or associated with The United Methodist Church, you may be able to make additional Before-Tax and/or Roth Contributions to UMPIP. The additional amount cannot exceed the smallest of the following amounts:

- $3,000 in any calendar year, or
- $15,000 minus the aggregate of all 15-year catch-up contributions made in all previous years, or
- $5,000 times your years of Service minus the aggregate of all elective deferrals previously made during such years of Service.

Amounts contributed as 15-year catch-up contributions are exempt from the $52,000 annual account additions limit (see below).

Age 50 Catch-Up Contributions

As of 2016, beginning in the year in which you will reach age 50, you may contribute up to $6,000 in additional Before-Tax and/or Roth Contributions. The IRS may adjust this limit in later years as allowed under the Code for increased cost of living. The age 50 catch-up contributions are in addition to the amounts described above, but you must use the 15 years of Service catch-up, if applicable, before the age 50 catch-up. Amounts contributed as age 50 catch-up contributions are exempt from the $53,000 annual account additions limit (see below).

Annual Account Additions Limit

Generally, the total amount of your Plan Sponsor Contributions and Participant Contributions, excluding Rollover Contributions, cannot exceed the lesser of the following:

- $53,000 in 2016 (or as indexed in later years); or
- 100% of your 415 Compensation.

This limit also includes contributions to other General Board–administered plans, such as CRSP or the Retirement Plan for General Agencies (RPGA) or any other 403(b) plan you or your Plan Sponsor contribute to on your behalf. If the annual contributions to your Accounts exceed either of the limits set forth above, the General Board must follow IRS guidelines to correct, or recharacterize, the excess contributions to UMPIP, CRSP or RPGA, including refunding the excess amount to you or your Plan Sponsor. The General Board will first correct your Participant Contributions Account, then your Plan Sponsor Contributions Account. Your Plan Sponsor is responsible for monitoring your total contributions to ensure that you do not exceed the annual IRS limits and for notifying the General Board accordingly.

Maximum Compensation

Highly compensated employees of certain employers may not receive Plan Sponsor or Participant Contributions with respect to Compensation in excess of $265,000 in 2016 (or as indexed in later years). Contact the General Board for further information regarding affected employers.

INVESTMENT OF YOUR ACCOUNTS

You may direct the investment of your Participant and Plan Sponsor Contributions into any one or combination of the following investment funds (or such other funds that the General Board may offer) in increments of 1%:

- Stable Value Fund
- Inflation Protection Fund
- Fixed Income Fund
- Extended Term Fixed Income Fund
- Multiple Asset Fund
- U.S. Equity Fund
- Equity Social Values Plus Fund
- International Equity Fund

Know the Facts. To learn more about available investment funds, including fund objectives, historical performance and benchmarks, check the General Board's website at **www.gbophb.org**

The investment funds pay the General Board's costs of plan administration and investment management by means of a fee, which is subtracted from each investment fund before the returns are credited to Participant Accounts. For specific management fee amounts for each investment fund, please visit the General Board's website or call the General Board.

Instead of electing the specific investments for your Contributions, you may use the services of the LifeStage Investment Management Service (LifeStage)—to manage the investment of your Account. (Please see the "LifeStage Investment Management Service" section below.)

If you do not make an investment election for your Account, your Account and future Contributions are invested through LifeStage.

The investment of your UMPIP Account will also apply to any other defined contribution accounts in other General Board-administered plans, such as CRSP and RPGA, and vice versa. When you make an investment election, it applies to all plans with defined contribution balances for which you are authorized to direct the investments.

Defined contribution accounts are those for which you select the investments. You can direct how your accounts are invested among the General Board's eight investment funds, or you can allow LifeStage to create a customized portfolio for you. The following are defined contribution accounts, although you may not be a participant in all of the plans:

- Clergy Retirement Security Program (CRSP) Defined Contribution (DC)
- Retirement Plan for General Agencies (RPGA)
- United Methodist Personal Investment Plan (UMPIP)
- Horizon 401(k) Plan (Horizon)

All of your defined contribution accounts are invested in the same way. If you elect to use LifeStage, then LifeStage will manage the investment of all of your defined contribution accounts. If you elect to choose which General Board funds to invest in, all of your defined contribution accounts will be invested in the same funds. For more information about the General Board's funds, visit our website at **www.gbophb.org** or call the General Board at **1-800-851-2201**.

If you have a MPP Account, your MPP balance must be invested by LifeStage.

LifeStage Investment Management Service (LifeStage)

LifeStage allocates your Participant and Plan Sponsor Contributions among General Board investment funds. The asset allocation, or investment mix, represents your individual investment portfolio. It is based on your age, the assets in your General Board retirement accounts and the answers you may provide to the *LifeStage Personal Investment Profile*.

After determining your investment fund allocation, LifeStage manages your defined contribution accounts. As you age or your profile changes, LifeStage adjusts your allocation accordingly. LifeStage will also periodically rebalance your Account to return you to your targeted investment fund allocation when differences in market returns have caused your investment fund allocation to be out of balance. You may elect to use LifeStage, change your profile or discontinue its use via Benefits Access or the *Investment Election Form*.

Making Your UMPIP Investment Elections

You may make two types of investment fund changes:

- you may change the way future (new) contributions (including future rollovers and transfers) are invested, without affecting the existing Account investment; and/or
- you may change the way your existing accounts (past contributions and earnings) are invested, without affecting new contributions.

UMPIP offers two ways to make investment elections:

- Benefits Access, or
- the *Investment Election Form*.

Benefits Access Website

To change your investment fund choices, you can visit the Benefits Access website at **www.benefitsaccess.org**. Benefits Access allows you to access information about your UMPIP Account and make changes 24 hours a day, seven days a week. To use the website, log on at **www.benefitsaccess.org**, then enter your username and password, and follow the prompts.

If you have not registered for the Benefits Access website, you will need to register using your Social Security number and personal identification number (PIN). If you need a new PIN, call **1-800-851-2201** to request one.

Investment Election Form

You may call the General Board at **1-800-851-2201**, Monday through Friday between 8:00 a.m. and 6:00 p.m., Central time to request an *Investment Election Form*, or print the form from Benefits Access.

Keeping Track of Your Accounts

You will receive an Account statement each quarter by mail or online through Benefits Access, showing Contributions, any applicable earnings or losses and other transactions since the last quarterly statement. You may visit Benefits Access at **www.benefitsaccess.org** or call the IVR system (**1-800-851-2201**) at any time to obtain information about your Account.

Interactive Voice Response (IVR) System

You can use the IVR system to access information about UMPIP 24 hours a day, seven days a week.

To use the system:

- call the telephone number **1-800-851-2201**;
- enter your Social Security Number;
- enter your Personal Identification Number (PIN); and
- follow the prompts.

Sustainable Investment

As the trustee of the largest denominational pension fund in the United States, the General Board strives to maximize the financial, social and environmental value of its investments. Towards this end, it actively exercises its ownership through shareholder engagement, proxy voting, portfolio screening and community investing.

All of the investment funds adhere to sustainable investment guidelines, directed by the *Social Principles* of The United Methodist Church, as outlined in *The Book of Discipline*.

Through sustainable investment the General Board fulfills its mandate to influence corporations, whose stock the General Board owns, toward greater environmental, social and governance (ESG) responsibility. The General Board's sustainable investment approach also excludes investments in certain companies that do not align with United Methodist Church values, notably those that are substantially engaged in businesses involved in pornography, gambling, alcoholic beverages, tobacco, weapons or prison facilities.

Sustainable investing considers the financial, social and environmental aspects of investment decisions. Investments are made in alignment with values, aiming not only for a healthy financial bottom line, but also for positive social and environmental impacts.

ACCESS TO YOUR ACCOUNTS BEFORE RETIREMENT OR TERMINATION

There are different times at which you may access your Accounts, each of which may impact your financial security in retirement. Before you elect to receive a loan or withdrawal, the General Board recommends that you seek financial, tax and/or legal advice to help you understand the consequences.

You may access your Accounts by requesting the following:

- Hardship loan
- Hardship withdrawal from your Participant Contribution Account
- In-service withdrawal from your Participant Contribution Account upon attaining age 59½
- In-service withdrawal from your Rollover Account
- Early distribution of a portion or all of your Accounts due to disability
- Withdrawal from your Participant Contribution Account or Rollover Account due to qualified military duty

The following is a summary of the requirements for loans and various types of withdrawals. Please remember that the loan or withdrawal is subject to rules and the use of forms established by the General Board. If you decide to take a loan or withdrawal, please contact the General Board for up-to-date information on the rules and applicable forms.

Please consider each loan or withdrawal type carefully and be sure to understand the impact on your financial security in retirement. Also, remember to contact the General Board for the up-to-date rules and forms.

Hardship Loans

When you take a loan from your UMPIP Account, you are essentially borrowing from yourself and paying yourself back with interest. Remember, however, that the money you borrow will not provide investment earnings until it is repaid. As a result, your Account balance may be significantly reduced compared to what it would have been had you not taken a hardship loan.

You may request a loan only for the hardship reasons listed below:

- to meet certain unreimbursed medical expenses for you, your Spouse, your dependents or your named primary Beneficiary for this plan;
- to purchase a residence for yourself (excluding mortgage loan payments);
- to pay tuition and related educational fees (including room and board) for post-secondary education for you, your Spouse, your dependents or your named primary Beneficiary for this plan;
- to prevent your eviction from or foreclosure on your principal residence;
- to pay for the repair of damage to your principal residence that qualifies for a casualty deduction;
- to pay for funeral or burial expenses for your deceased parent, your Spouse, your dependent or your named primary Beneficiary for this plan;
- to pay expenses related to any disaster that has been declared by the President of the United States, the governor of any state or the General Board; or
- to pay the costs of any other immediate and heavy financial need affecting you.

The maximum loan amount available is the least of:

- 50% of your total vested Account balance, excluding any QVEC;
- $50,000 reduced by your highest outstanding loan balance in any 403(b) plan sponsored by your Plan Sponsor during the preceding 12 months; or
- your Participant Contributions Account balance, excluding any QVEC Account, if you are not Retired.

Regardless of your Account balance, the loan amount you request cannot exceed the amount needed to meet your financial hardship. The minimum loan amount is $1,000.

The General Board maintains a loan policy that includes the application, payment and default rules. The following is a summary of the current policy. At any time, the General Board has the authority to change the loan policy.

Applying for the Loan

You may apply for a loan with respect to your Account with any Plan Sponsor by completing a loan application. If you are a Lay Employee or a Retired Clergyperson, you may only have one outstanding loan from each Plan Sponsor. In general, if you are a Clergyperson, you may only have one outstanding loan unless you are or have been appointed to a non-Conference-Responsible Salary-Paying Unit. In that case, you may be eligible for a loan from UMPIP Account balances accrued while serving that appointment, as well as UMPIP Account balances accrued while serving a Conference-Responsible Salary-Paying Unit. If you wish to borrow from Accounts relating to more than one Plan Sponsor, call the General Board for more information on consolidating Accounts. There is a $50 non-refundable application/loan processing fee, which is deducted from your UMPIP Account balance. (This fee is subject to change.)

If you would like to model a loan or request a loan application to determine how much you can borrow and your repayment terms, log on to Benefits Access or contact the General Board at **1-800-851-2201** for additional information.

Upon approval of your completed loan application, the General Board will process your application. If the application is approved, we will mail a loan check to you (or, if elected, deposit it in your bank account) within 30 days. Once you pay off a loan, you are eligible to request a new loan immediately following your repayment date. As noted earlier, however, a loan balance during the previous 12 months may reduce the loan amount for which you qualify.

Repaying the Loan

Your loan will bear a reasonable rate of interest based on market rates at the time of your loan. When you take a loan, the interest rate is fixed for the full term of the loan. Your monthly repayments, both principal and interest, are deducted from your checking or savings account via electronic funds transfer (EFT) and are remitted to the General Board. Loan repayments are returned to your UMPIP Account and invested according to your investment election on file or, if you have elected LifeStage, according to your target allocation.

The repayment period may be up to five years. However, if the loan is for the purchase of your primary residence, your repayment period may extend for as long as 15 years. You may prepay all or a portion of the outstanding principal (and interest due) in full at any time without penalty (by money order, cashier’s check or certified check).

If you terminate employment or Retire, you may choose to repay the outstanding loan balance immediately or to continue loan payments over the term of the loan via EFT. However, if you elect to take a full distribution of your vested Account balance or if your balance (including the outstanding loan balance) is subject to an automatic distribution, you must pay the outstanding loan prior to the distribution. If you do not repay the loan, the outstanding balance will be defaulted and become a taxable distribution to you. If you are under age 55 when you terminate or Retire, this amount may also be subject to a tax penalty. Upon your death, if your Beneficiary is your Spouse, he or she may choose to repay any outstanding loan balance according to the terms of the loan. Otherwise, the balance will default and become a taxable distribution. A non-Spouse beneficiary may not continue loan repayments and must repay the entire outstanding loan balance plus any outstanding interest in one payment or the balance will default.

Loan Defaults

If you do not repay your loan according to the terms of the loan, the loan is considered to be in default. A loan is subject to default if there is at least one outstanding payment on the last day of the quarter following the quarter in which the payment was due. Defaulting on your loan has several consequences:

- The IRS treats your outstanding loan balance plus unpaid interest as a taxable distribution to you
- The IRS’s 10% penalty tax on early distributions may apply (please see the “10% Federal Excise Tax” section on page 29)
- The General Board will issue an IRS *Form 1099-R* to you and to the IRS indicating the amount of the taxable distribution
- For Lay Employees and Clergy at non-Conference-Responsible Salary-Paying Unit, future loans from UMPIP with respect to that organization’s Account balances will never again be available to you

- For Clergy at a Conference-Responsible Salary-Paying Unit, future loans are not available from any UMPIP Account resulting from Service at any Conference
- You will be responsible for paying applicable taxes, including any penalties that may apply

Hardship Withdrawals

You may be eligible for a hardship withdrawal of your Before-Tax Contributions and/or Roth Contributions (excluding earnings thereon), After-Tax Participant Contributions and QVEC Contributions if you have a financial hardship while you are an eligible Clergyperson or Lay Employee. However, neither your Plan Sponsor Contributions nor the earnings on them are eligible for hardship withdrawals. Unlike hardship loans, you cannot repay hardship withdrawals to UMPIP. Hardship withdrawals of Before-Tax Contributions and related earnings are considered taxable income. Since Roth Contributions have been taxed, they are not taxable upon distribution. However, the distribution of earnings related to Roth Contributions may be taxable if it is a non-qualified distribution. See "Taxation Considerations" section for more information. A 10% early withdrawal excise tax may also apply. (Please see the "10% Federal Excise Tax" section on page 30.)

Generally, a financial hardship exists if a withdrawal is required because of certain immediate and heavy financial needs. In addition, you must be able to prove and to certify that this financial need cannot be met by any other reasonably available sources. This will include exhausting funds available through savings, conventional loans and loans from UMPIP or other retirement vehicles in which you participate. The amount of your withdrawal request may not exceed the amount needed to meet the hardship, plus any tax liabilities you would incur as a result of the distribution.

You may request a hardship withdrawal for any of the following reasons:

- to meet certain unreimbursed medical expenses for you, your Spouse, your dependents or your named primary Beneficiary for this plan;
- to purchase your principal residence (excluding mortgage loan payments);
- to pay tuition and related educational fees (including room and board) for post-secondary education for you, your Spouse, your dependents or your named primary Beneficiary for this plan;
- to prevent your eviction from or a foreclosure on your principal residence;
- to pay for the repair of damage to your principal residence that qualifies for a casualty deduction;
- to pay for funeral or burial expenses for your deceased parent, your Spouse, your dependent or your named primary Beneficiary for this plan; or
- to pay expenses related to any disaster that has been declared by the President of the United States, the governor of any state or the General Board.

If you receive a hardship withdrawal, you may not remit Participant Contributions or catch-up contributions to any 403(b) plan sponsored by your Plan Sponsor for the following six months. Also, your Plan Sponsor may not remit Plan Sponsor matching or conditional contributions. (Please see the "Plan Sponsor Contributions" section on page 10.) For example, if you participate in CRSP, you would not be eligible for the CRSP matching contribution of up to 1% of compensation since you cannot make Participant Contributions to UMPIP.

Applying for a Hardship Withdrawal

You may request a withdrawal by completing a *United Methodist Personal Investment Plan Hardship Withdrawal Application* indicating the reason for the financial hardship and submitting documentation supporting the hardship. Only the hardship reasons listed on the application qualify you for a hardship withdrawal. Once this application has been submitted, the General Board will determine your eligibility to receive a hardship withdrawal. You may request information and an application online at the General Board website, **www.gbophb.org**, or by contacting the General Board at **1-800-851-2201**.

Rollover Account Withdrawal

If you have rolled over your account balances from another retirement plan or IRA to UMPIP (see the "Rollover Contributions" section on page 8), you will have a Rollover Account. You may withdraw all or part of your Rollover Account for any reason.

In-Service Withdrawal Upon Attaining Age 59½

When you reach age 59½, you may withdraw all or part of your Participant Contributions Account for any reason. Your withdrawal request is subject to the rules adopted by the General Board regarding the form and the frequency of the withdrawals. Generally, your distribution is not subject to a 10% early withdrawal penalty for federal income taxes. However, you should check with your tax advisor before electing to receive a distribution.

Qualified Military Reservist Withdrawal

If you are a reservist called to active duty on or after September 11, 2001 for a period of at least six months and are still on active duty, you may withdraw all or part of your Participant Contributions Account. You must submit a copy of your military orders along with the appropriate General Board form. This distribution is not subject to a 10% early withdrawal penalty for federal income taxes.

Qualified Military Withdrawal

If you are on qualified military leave (as defined in Section 101 of Title 37 of the United States Code) for a period of at least 30 days and are still on active duty, you may withdraw all or part of your Participant Contributions Account. You must submit a copy of your military orders along with the appropriate General Board form. This distribution may be subject to a 10% early withdrawal penalty for federal income taxes. In addition, any Before-Tax, Roth and After-Tax Contributions will be suspended for six months.

Early Distribution Due to Disability

You may elect to receive a distribution if you satisfy the definition of disability for the different types of contributions. To receive a distribution, you must complete and return an *Application for Benefits for Disability* to the General Board. You may be asked to provide documentation or a certification of your disability in order for the General Board to determine your eligibility to receive a distribution.

Plan Sponsor Contribution Account

If you are disabled under your Plan Sponsor's disability plan or the Social Security disability definition, or, if you are a Clergyperson and you are placed on Medical Leave by your Conference, you may request a distribution of your Plan Sponsor Contribution Account. The distribution may be subject to a 10% early withdrawal penalty for federal income taxes depending upon the severity of the disability. If you satisfy one of the exemptions from the penalty, including being disabled as defined by the Code, the IRS may require you to complete an IRS form to apply the exemption.

Participant Contribution Account

Rollover, After-Tax and QVEC Contribution Account

If you are disabled under your Plan Sponsor's disability plan or the Social Security disability definition, or, if you are a Clergyperson, you are placed on Medical Leave by your Conference, you may request a distribution of your Rollover, After-Tax or QVEC Contribution Accounts. The distribution may be subject to a 10% early withdrawal penalty for federal income taxes depending upon the severity your disability.

Before-Tax and Roth Contribution Accounts

To withdraw amounts from your Before-Tax Contribution or Roth Contribution Accounts, you must be permanently disabled and not expected to recover within the meaning of Code sections 403(b)(11)(A) and 72(m)(7). You are considered permanently disabled for distribution purposes if you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of indefinite duration. You are responsible for satisfying any applicable IRS Regulations under Code section 72(m)(7).

DISTRIBUTION OF YOUR ACCOUNTS

You are eligible to receive a distribution of your Accounts upon:

- Termination of:
  - Conference membership if you are a Clergyperson
  - Employment at your Plan Sponsor if you are a Lay Employee
- Retirement

If you are a Lay Employee who terminated employment with one Plan Sponsor but who is employed by a different Plan Sponsor, you may not receive a distribution from your current Plan Sponsor Accounts. However, you may receive a distribution from your Accounts related to previous Plan Sponsors with whom you have terminated employment. Clergypersons must terminate their conference memberships before they are entitled to any distributions on account of termination.

If you die before you receive a complete distribution of your Account, i.e., if there is an Account balance upon your death, the General Board will distribute your Account to your Beneficiary.

If your UMPIP Account plus the value of all your other General Board-administered retirement plans (including defined benefit plans) total more than $5,000 at the time you terminate employment or, for Clergy, at the time you terminate your Conference relationship or Retire, you may choose to leave your Account balance in UMPIP until a later date or you may choose to receive a distribution at any time after you terminate or Retire. If you do not request a distribution of your UMPIP Account, it will continue to share in UMPIP's investment returns on a tax-deferred basis until it is paid to you. When you are ready to receive a distribution, you must contact the General Board for an *Application for Benefits*. You will need to complete the application and return it to the General Board. (Please see the "Claims and Appeals" section on page 27.)

If the total aggregate value of your General Board-administered plans exceeds $1,000 but does not exceed $5,000 and you do not request a lump-sum distribution or a rollover to another eligible plan or IRA, the General Board will automatically roll over your Account to an IRA provided by a custodian designated by the General Board.

If the total value of your General Board-administered plans at termination of employment is $1,000 or less and you do not request a distribution or a rollover to another eligible plan or IRA, the General Board will automatically pay your Account to you as a single-sum distribution as soon as administratively feasible after you terminate or Retire.
In all cases, you must receive a minimum distribution by your required beginning date and further required minimum distributions thereafter. (Please see the "Required Minimum Distributions" section on page 24.)

Death

Your UMPIP Account is payable to your Beneficiary (please see the "Beneficiary Designation" section on page 5) if you die before benefit payments begin to you or before your entire Account is paid out to you. In each case, the General Board must pay your Account to your Beneficiary in accordance with the Code's required minimum distribution rules.

Death Before You Begin Receiving Benefits

Spousal Beneficiary

If your Beneficiary is your Spouse, after your death, your Spouse may choose to:

- receive payment immediately;
- defer payment until the later of December 31 of the calendar year you would have turned age 70½ or December 31 following the calendar year of your death (and then receive payments over a period not to exceed your Spouse's remaining life expectancy); or
- defer payment until December 31 of the calendar year containing the fifth anniversary of your death.

Your Spousal Beneficiary may request a direct rollover to another qualified plan or IRA (as long as the Account balance is greater than $200). If your surviving Spouse dies before receiving the distribution of your entire Account, the General Board will pay your surviving Spouse's Beneficiary over a period not exceeding such Spouse's remaining life expectancy according to IRS tables.

Non-Spousal Beneficiary
If you die before your required beginning date, your non-Spousal Beneficiary may choose to:

- receive payment immediately;
- receive payment over the Beneficiary's remaining life expectancy if he or she makes this election by December 31 of the calendar year immediately following the calendar year in which you died; or
- defer payment until as late as December 31 of the calendar year containing the fifth anniversary of your death.

If the Account balance is greater than $200, your non-Spousal Beneficiary may request a direct rollover to an inherited IRA.

Death After You Begin Receiving Benefits

If you die after your required beginning date, your Beneficiary may elect to receive payment immediately or to receive payment over a period not to exceed the longer of your remaining life expectancy according to IRS tables or your Beneficiary's life expectancy.

If your Beneficiary is your estate, a trust or another non-individual, such entity may elect to receive your remaining benefits in a lump-sum or to defer payment until as late as December 31 of the calendar year containing the fifth anniversary of your death.

If your Beneficiary chooses not to receive an immediate payment of your Account, he or she may name a Beneficiary to receive payment in the event of his or her death. (Please see the "Beneficiary Designation" section on page 5).

Required Minimum Distributions

Please note that under the Code and UMPIP provisions, you must begin receiving required minimum distributions by your required beginning date of April 1 of the calendar year following the later of the year in which you reach age 70½ or the year in which you Retire or terminate. For each subsequent year (and possibly the year of your initial distribution), you must receive a required minimum distribution by December 31 of that year. If you have a UMPIP Account related to a former employer, you may be required to take minimum distributions from that Account, even though required distributions from your current Account are deferred until you Retire from your current employer. To satisfy the required minimum distribution requirements, you must receive an amount that is at least 1/x times your Account balance, where "x" is your expected lifetime (or the expected joint lifetime of you and your Spouse). The amount of the required minimum distribution is determined by IRS regulations, which are subject to change.

If you do not request a distribution that satisfies the required minimum distribution amount by the required beginning date, the General Board may automatically distribute the minimum amount to you. Although the General Board may distribute the amount to you, you are solely responsible for satisfying the IRS rules and regulations. For more information, contact the General Board or the IRS. In addition, you may want to consult a certified financial planner or estate planner.

Receiving a required minimum distribution is a very important responsibility under the Code. The Code requires you to receive a minimum amount by a certain date. If you do not take a minimum distribution, the IRS may impose a penalty of 50% of the distribution you should have taken.

FORMS OF PAYMENT

UMPIP offers a choice of distributions from your Participant Contributions or Plan Sponsor Contributions Accounts. These are:

- retirement income (also known as cash installments).
- lump-sum distribution;
- partial-sum distribution; and

Once you are eligible to receive a distribution (please see the "Distribution of your Accounts" section on page 23), you may elect one of these choices.

Retirement Income (also known as cash installments)

Retirement income is a series of distributions taken from your Account on a monthly or annual basis. Your Account continues to be subject to investment gains, losses and expenses while you are receiving retirement income payments. Retirement income payments are subject to rules established by the General Board and required minimum distribution regulations.

LifeStage Retirement Income

When you elect LifeStage Retirement Income, the service sets a payment safety zone—a range of monthly income that has a high likelihood of lasting your lifetime. This safety zone is based on the value of your General Board-administered retirement Accounts, age and other factors. If you enroll in this service, your monthly payment will be set in the middle of your payment safety zone. (Annual payments are not available with LifeStage Retirement Income.)

Each year, LifeStage Retirement Income determines your new safety zone, taking into consideration your remaining account balance and age, as well as the investment performance of your retirement Accounts. It then increases your payment for inflation as long as the new payment does not fall outside of the safety zone. If the investment performance of your accounts has been especially strong, you may also see an additional increase due to market performance. If it has been especially poor, you may see a reduction. The General Board will notify you of the next year's monthly payment each November.

LifeStage Investment Management Service manages the investment of your General Board-administered retirement Accounts when you are enrolled in LifeStage Retirement Income. If you have Account balances in other General Board-administered defined contribution retirement plans [(e.g., Retirement Plan for General Agencies (RPGA), Horizon 401(k) Plan or Clergy Retirement Security Program (CRSP)], these Accounts will be consolidated into UMPIP and your election will apply to the consolidated balance. If you have a Ministerial Pension Plan (MPP) account, you can also include the non-annuitized portion of your MPP account balance.

While the likelihood of running out of money is small, LifeStage Retirement Income is not an annuity and, therefore, does not guarantee that your account balance will last your lifetime.

You can learn more about LifeStage Retirement Income at **www.gbophb.org/sri_funds/lsri.asp**. You can elect LifeStage Retirement Income to manage your distributions at **www.benefitsaccess.org**.

Self-Managed Retirement Income

You can also elect to manage your own retirement income payments. You may elect a specific payment amount to be paid each month or year or the expected period of distribution (which will establish the monthly or annual payment amount based on your Account balance at the time of each payment).

If you elect a specific dollar amount, your retirement income payments will continue until you change your election or until your entire Account is distributed. If you elect a specified period for your distributions, your payments may vary in amount, depending on your investment returns, so that your Account balance will be completely distributed at the end of the period you named.

Partial Lump Sum Distribution

You may not want to receive a single-sum distribution due to the tax consequences and loss-of-earnings potential. Instead, you may want to receive a lesser amount to meet your current financial needs. If so, you may elect a partial-sum distribution. This form of payment is available to you up to the value of your vested Account. If you have attained your required beginning date, you must elect partial-sum distributions at least equal to the required minimum distribution each year. (Please see the “Required Minimum Distributions” section on the previous page.)

Single Sum (or Lump Sum) Distribution

You may elect to receive one cash payment (single sum or lump sum) equal to your vested Account balance valued as of the Accounting Date coinciding with or immediately before the date of distribution.

Electing Your Benefits

You may elect your benefits by completing an application for benefits or logging onto **www.benefitsaccess.org**; however, LifeStage Retirement Income must be elected online. If you make your elections online and have Account balances in other General Board-administered defined contribution retirement plans [e.g., Retirement Plan for General Agencies (RPGA), Horizon 401(k) Plan or Clergy Retirement Security Program (CRSP)], these accounts will be consolidated into UMPIP and your election will apply to the consolidated balance. You may maintain separate Account balances for each plan and make separate benefit elections by manually completing application for benefit forms.

Trailing Account Balances

A trailing Account balance occurs when there is a delayed contribution or other credit to your Account after the General Board has distributed your entire Account balance. If the trailing Account balance is less than $200, you will automatically receive the payment as a lump-sum distribution. If the trailing Account balance is greater than or equal to $200, the General Board will automatically distribute it in the same form of payment that was applied to your previous distribution.

Although UMPIP does not offer annuity distributions, you may purchase an annuity from a commercial annuity provider with a UMPIP lump-sum rollover. Contact the General Board for more information.

Eligible Rollover Distribution

You may roll over part (at least $200) or all of your Eligible Rollover Distribution into another eligible retirement plan, such as a Code section 403(b) plan, 401(a)/401(k) qualified plan, 457 deferred compensation plan, traditional IRA or Roth IRA. It is your responsibility to determine if the other plan accepts rollovers. When UMPIP’s trustee directly rolls an amount to another eligible plan or IRA, you will not be subject to immediate taxation or tax withholding on the amount of the rollover. However, conversions to a Roth IRA may be taxable at the time you file your tax return for the year of the distribution.

When an Eligible Rollover Distribution is made payable to you, it is subject to an automatic 20% federal income tax withholding. If you wish to roll over the entire amount of the Eligible Rollover Distribution, you will have to substitute money from another source to make up for the 20% that was withheld. If you do not substitute money and roll only the 80% you received to the other plan or IRA, then the 20% of your distribution withheld will become a taxable distribution at the end of the 60-day rollover period. The 20% amount will be subject to ordinary income tax and possibly a 10% early withdrawal penalty. To avoid the 20% withholding, you may use a direct rollover (see the preceding paragraph).

Eligible Rollover Distributions may also be subject to state income tax withholding, which may also be deferred by the use of a direct rollover. The rules differ from state to state. You will receive more information and a form upon which to indicate your elections regarding state income tax withholding at the time of a distribution.

Not more than 180 days before you receive a distribution, the General Board will provide you with a written notice describing your right to a direct rollover and the tax consequences of your distribution or rollover. The General Board cannot process distributions until 30 days after you receive the notice unless you waive the 30-day notice period in writing. As the notice will describe in greater detail, some distributions are not eligible for rollover. If you are unsure whether you can roll a distribution out of (or into) UMPIP, contact the General Board or the administrator of the other plan or IRA.

CLAIMS AND APPEALS

Once eligible, you or your Beneficiary may apply for a distribution from your Account by completing forms provided by the General Board. For more information on the appropriate forms to complete and the choices available to you, contact the General Board at **1-800-851-2201**. You or your Beneficiary must file your claim for benefits within one year after the later of:

- when the events giving rise to the claim occurred; or
- when you knew or should have known of the facts or events giving rise to the claim.

If you do not file your claim within the timeframe above, the claim will be deemed to be irrevocably waived. If you or your Beneficiary does not claim benefits sooner, they must be claimed by your required beginning date. (Please see the "Required Minimum Distributions" section on page 24.) Failure to do so could result in the forfeiture of UMPIP benefits.

Denial of the Application or Claim

If the General Board denies a claim for benefits under UMPIP, we will notify you or your Beneficiary in writing. The notice will:

- describe the specific reasons for the denial;
- cite UMPIP provisions on which the denial was based; and
- explain the appeal procedures.

You will receive this notice no more than 45 days after filing the original claim or 45 days after the request for or submission of additional materials requested by the General Board. Under special circumstances, an additional 90 days may be necessary to respond to the claim.

There are three steps in the appeal process: an initial appeal, an intermediate appeal and a final appeal.

Initial Appeal

If the General Board denies your claim for benefits, in whole or in part, you may request a review of the decision by filing a Notice of Initial Appeal with the Initial Appeals Committee. You must file the notice within 90 days after the date of the letter denying your claim for benefits. You may submit facts and supporting documentation relevant to your appeal. If the notice is not filed in a timely manner, the General Board's decision to fully or partially deny your claim for benefits will be final.

You, your duly authorized representative or a representative of your Plan Sponsor may request to appear personally or by teleconference call before the Appeals Intermediary, subject to the conditions and limitations of the Intermediate Appeals Committee. However, you, your representative or your Plan Sponsor will be responsible for any expenses associated with the appearance.

Intermediate Appeal

If the Initial Appeals Committee denies your claim for benefits, in whole or in part, your appeal will be referred to the Intermediate Appeals Committee of the General Board for consideration.

The Intermediate Appeals Committee will decide the appeal within 60 days of the decision by the Initial Appeals Committee.

The Intermediate Appeals Committee will conduct a review of your intermediate appeal and notify you, in writing, of its decision, the specific reasons for the decision and the provisions of UMPIP upon which the decision is based.

Final Appeal
If your claim for benefits is still fully or partially denied by the Intermediate Appeals Committee, you may request a review of the decision by filing a Notice of Final Appeal with the Final Appeals Committee of the Board of Directors of the General Board. You must file the notice with the Final Appeals Committee within 90 days after the date on which you receive the Intermediate Appeals Committee's written decision. You may submit comments and supporting documents to the Final Appeals Committee for its consideration. If the notice is not filed in a timely manner, the Intermediate Appeals Committee's decision to fully or partially deny your claim for benefits will be final.

To allow sufficient time for handling and processing, you must file the notice and any supporting documents at least 30 days before the Final Appeals Committee's next meeting. Appeals filed fewer than 30 days before a Final Appeals Committee meeting may not be heard until the following meeting (which could be some months later). If special circumstances require an extension of time for processing, the General Board will notify you. Your hearing may be continued upon your request, upon the request of the General Board or at the discretion of the Final Appeals Committee.

You, your duly authorized representative or a representative of your Plan Sponsor may request to appear personally or by teleconference before the Final Appeals Committee, subject to the conditions and limitations of the Final Appeals Committee. However, you, your representative or your Plan Sponsor will be responsible for any expenses associated with the appearance.

The Final Appeals Committee will conduct a review of your final appeal and send its decision to you within 15 days of the date on which the Final Appeals Committee makes its determination. The Final Appeals Committee's decision will be in writing and will include the specific reasons for its decision and the UMPIP provisions upon which its decision is based. The Final Appeals Committee's decision is final.

Your Responsibilities
You may not initiate or maintain any cause of action in law or equity until you have initiated and completed the claims and appeal process. Upon completion of the appeal process, you must initiate any cause of action within 12 months after the date of the written notice from the General Board regarding the final denial of your appeal.

If you do not appeal a claim denial within the timeframes noted, you will waive your right to file an appeal or a lawsuit at a later date. If the Intermediate Appeals Committee or the Final Appeals Committee does not make a decision or respond within the timeframes noted, you should consider the claim denied, and you may proceed to the next step of the claims procedure.

TAXATION CONSIDERATIONS

You may owe taxes on all of the amounts paid to you under UMPIP plus any outstanding loan balances and unpaid interest.

Taxes While Your Account Is in UMPIP

Taxes are deferred on the Before-Tax Contributions you and your Plan Sponsor make to UMPIP when they are credited to your Account, and any earnings thereon, as long as this money remains in UMPIP and within your contribution limits. (Please see the "Contribution Limitations and Excess Contributions" section on page 14.) This tax deferral may provide significant advantages to you in increasing the value of your Account, because earnings can compound on amounts not reduced by taxes.

Taxes When Your Account Is Paid

When you receive a distribution of your Account, the money you receive will be reported to the IRS and, in most cases, your state of residence. You will receive a notice describing the taxability of your distribution from us before the distribution.

Distributions of Before-tax Contributions and Employer Contributions

Distributions of Before-Tax Contributions, employer contributions and related earnings are subject to tax upon distribution.

Distributions of Roth Contributions

Qualified distributions from a Roth account are not subject to income tax. A qualified Roth distribution is one that is made on account of:

- your attainment of age 59½,
- your permanent disability, OR
- your death
- AND is made at least five-years after the first day of the plan year during which you made your first Roth contribution to your retirement account.

A non-qualified Roth distribution is one that does not meet the criteria above. Earnings from a non-qualified Roth account will be subject to taxation. Your Roth Contributions were taxed previously and will not be taxed again when a distribution is made.

Most Clergy can qualify for the housing allowance exclusion in accordance with the housing allowance rules of Code section 107. Such Clergy may exclude from their taxable income the least of the following amounts:

- the amount of their pension distribution designated as a housing allowance by their annual Conference,
- their actual costs of providing a home in such year, or
- the fair rental value of their furnished home, plus the annual cost of utilities.

The General Board will send a retirement packet that includes information about the housing allowance exclusion of your Church-service related retirement income to you after we receive your retirement notification.

Mandatory Withholding

If you receive an Eligible Rollover Distribution but do not roll it over, the General Board is required to withhold 20% of your taxable distribution for federal income taxes. This is true even if you intend to receive the distribution and roll it over into another eligible retirement plan within 60 days.

To avoid the mandatory 20% federal income tax withholding, you may request a direct rollover. If you request a direct rollover, the General Board will pay the distribution directly to the eligible plan or IRA. The portion directly rolled over is not subject to immediate taxation. Any portion not directly rolled over will be subject to mandatory 20% federal income tax withholding.

The General Board is required by federal tax law to withhold 10% from non-periodic (over a period of fewer than 10 years) distributions that are not Eligible Rollover Distributions unless you direct us otherwise. For periodic distributions (over a period of 10 years or more) that are not Eligible Rollover Distributions, the General Board must withhold according to the IRS tax withholding table as though you claimed married with three allowances, unless directed otherwise by you.

The General Board also is required to apply state income tax withholding to your retirement distribution pursuant to the tax laws of your resident state. Based upon the type of distribution and the state in which you reside, you may be able to make a “no-withholding” election for your state taxes. In those cases, it is still your responsibility to pay any state taxes for which you are liable under that state’s tax laws. However, there are some states that require withholding on Eligible Rollover Distributions. In those states, even if you do not provide a state tax withholding election or make a no-withholding election, the General Board is required to withhold and remit state taxes on your behalf.

10% Federal Excise Tax

Your distribution may be subject to a 10% federal excise tax on the taxable portion you receive before you reach age 59½. This tax is sometimes called an excise tax or an early withdrawal penalty. Generally, this additional tax does not apply if the distribution is rolled over to an IRA or another eligible plan, or if payment is made:

- to a Spouse or Beneficiary after your death;
- at age 55 or older after you have terminated employment with your Plan Sponsor or your relationship with your Conference (for Clergypersons) during the year you attained age 55 or later;
- because of total disability as defined in Code section 72(m)(7);
- to an Alternate Payee according to a qualified domestic relations order;
- due to medical expenses that qualify as deductible medical expenses under Code section 213;
- in a series of substantially equal periodic payments made not less frequently than annually for your life or the joint lives of you and your Beneficiary or contingent annuitant;
- as a direct rollover;
- as the distribution of elective deferrals you contributed that exceed the annual limits under Code sections 415 or 402(g); or
- as corrective distributions of excess aggregate contributions.

Tax laws are complex and change often. This SPD contains only a partial discussion of taxes. Because the General Board cannot provide you with tax advice, it is in your best interest to seek the advice of a qualified tax advisor before receiving distributions. This will help ensure that you receive up-to-date information that applies to your own personal tax situation.

OTHER INFORMATION YOU SHOULD KNOW

Assignment of Benefits and Qualified Domestic Relations Orders (QDROs)

Your Account is held for your benefit and may not be sold, assigned, transferred, pledged or garnished under most circumstances, and is not subject to your debts or liabilities. Except as provided below, attempts to alienate, sell, transfer, assign or pledge your Account will be considered void.

However, if you become divorced or separated, certain court orders could require that part of your benefit be paid to someone else—your Spouse, former Spouse or children, for example. These court orders are commonly referred to as qualified domestic relations orders (QDROs). As soon as you are aware of any court proceedings that may affect your UMPIP benefits, contact the General Board.

When the General Board receives a domestic relations order, the General Board will notify you and send you a copy of the procedures for determining the qualified status of the order. Within a reasonable period of time after the receipt of the order, the General Board will determine whether the order is a QDRO and will notify you and each person named in the order, in writing, of the determination.

If a claim is submitted to UMPIP with respect to your Account while the General Board is determining whether an order related to your Account is a QDRO, we will suspend payment of all or any portion of your benefits otherwise due until the order is determined to be a QDRO or not. If the order is determined to be a QDRO, any person named to receive benefits under the QDRO (an Alternate Payee) will be assigned the specified portion of your Account with the same rights and responsibilities as a Terminated Participant.

If you are in the process of a divorce or other domestic relations proceeding and would like more information about QDROs or a sample form to give to your attorney, contact the General Board.

All rights provided to a Terminated Participant under UMPIP will be afforded to an Alternate Payee under a QDRO. A distribution to an Alternate Payee may be permitted even if the affected Participant is not yet eligible for a distribution.

In addition to QDROs, your Account could be garnished, assigned or alienated under an IRS tax levy, for the payment of health plan premiums that you authorize, for the benefit of another plan administered by the General Board if you have received an overpayment under such plan or if you make a voluntary, revocable assignment in writing that is accepted by the General Board after your Account is eligible to be paid to you.

USERRA and the HEART Act of 2008

Contributions, benefits and Service credit with respect to qualified military service will be provided in accordance with Code section 414(u) and the provisions of the HEART Act. If you have had a period of military service during your employment, contact your Plan Sponsor or the General Board to learn whether you qualify for additional Service credit, the right to make Before-Tax, Roth and catch-up contributions, the right to receive Plan Sponsor contributions relating to the period of your military service or the right to take a distribution.

How Unclaimed, Relinquished or Disclaimed Benefits Can Be Delayed or Forfeited

You are entitled to the vested portion of your UMPIP Account. This portion is payable to you except in the following circumstances:

- You do not notify the General Board when you (or your Beneficiary's) address changes, and we cannot locate you (or your Beneficiary) when benefits are due (for instance, at your required beginning date or when you terminate employment with an Account balance in all General Board-administered plans totaling less than $5,000). In such a case, we will send a notice by certified letter, with return receipt requested, to the last address we have on file. If you fail to contact us within 12 months after the notice, your benefits will be forfeited and become the benefits of your Beneficiary (including any successor or default Beneficiary). If your Beneficiary(ies) fails to contact the General Board within 12 additional months after notification, the benefits will be forfeited and become the benefits of your next successor Beneficiary under the foregoing procedure. If none of your Beneficiaries claims the benefits in a timely fashion, they will be forfeited and used by the General Board to defray administrative expenses of UMPIP.

- The General Board issues a check for benefits that is not returned or cashed within a reasonable period of time. In such a case, those benefits may be forfeited and used by the General Board to defray the administrative expenses of UMPIP. Uncashed checks returned to the General Board because the payee is missing or for other reasons are handled as described above (given to your Beneficiary, etc.).
- You relinquish (i.e., permanently renounce) your benefits. In such a case, your relinquished benefits will be forfeited and used by the General Board to defray the administrative expenses of UMPIP.
- Your Beneficiary Disclaims all or any portion of an Account due, provided that the Disclaimer is in writing in a form acceptable to the General Board and it is done before receiving the benefit. A Disclaimer is a voluntary waiver. The person who Disclaims is treated as having predeceased the Participant enrolled in UMPIP, and the benefit is paid to the next Beneficiary in line.
- You terminate employment for any reason before your Account balance is 100% vested and incur a one year or longer Break-in-Service. In such a case, you will forfeit—or release your claim to—the unvested portion of your Account balance. If this happens, the forfeited amount will be returned to your Plan Sponsor for use as future contributions for the benefit of other Participants.

Please keep the General Board apprised of your current address and phone number, even after you terminate employment with your Plan Sponsor. If we do not have a current address for you, you risk forfeiting your Account.

Non-Reversion

All contributions made by Plan Sponsors are irrevocable and cannot be repaid to the Plan Sponsor, except in the situations listed below:

- If the IRS determines that UMPIP is not qualified under Code section 403(b) or makes some other determination that the General Board believes makes UMPIP unworkable, provided the General Board does not succeed in challenging that determination, UMPIP may terminate on notice by the General Board to all participating Plan Sponsors, and all contributions (adjusted for any gains or losses) will be returned to the Plan Sponsors or to the Participants.
- If UMPIP terminates or if a Plan Sponsor's sponsorship terminates, and there are monies remaining after the satisfaction of all fixed and contingent liabilities under UMPIP, the monies will revert to the applicable Plan Sponsor.
- If a Plan Sponsor or Salary-Paying Unit makes a contribution by mistake, the Plan Sponsor or Salary-Paying Unit may request its return by sending a written request to the General Board within one year after the contribution was made along with documentation of such mistake. The General Board may then return the mistaken contribution.
- The General Board may also return mistaken contributions on its own within 30 days. If the Plan Sponsor or Salary-Paying Unit does not notify the General Board as described above, the erroneous contribution will be permanently forfeited and used to offset your Plan Sponsor's future contributions to UMPIP.

Bankruptcy and Your UMPIP Benefits

Under a revision to the Bankruptcy Code applicable to anyone who files bankruptcy on or after October 17, 2005, your entire Account in a qualified plan, such as this 403(b) plan, is exempt from the claims of creditors in bankruptcy. If you have an outstanding UMPIP loan, you may continue to repay that loan during and after your bankruptcy proceeding. Contact the General Board for further information.

Ineligible Participation

If you are not eligible to participate in UMPIP, you will forfeit all rights to the Plan Sponsor Contributions and any earnings that were made during the period of ineligibility. The General Board will refund the Contributions to your Plan Sponsor if your Plan Sponsor notifies us within one year. Any Contributions made more than one year in the past will be used by the General Board to defray the administrative expenses of UMPIP. The General Board will refund any and all Participant Contributions to your Plan Sponsor, which should refund them to you.

If UMPIP is Terminated or Modified

UMPIP may be terminated, suspended or modified at any time. Also, the Board of Directors of the General Board is authorized to amend UMPIP at any time, as long as the amendment does not retroactively reduce an accountholder's Account balance or degree of vesting.

In addition, a Plan Sponsor may amend the elective provisions of its Adoption Agreement. The Plan Sponsor also may freeze or terminate its participation in UMPIP at any time, provided the General Board is properly notified 90 days in advance of the termination date and the Plan Sponsor's Employees are properly notified 30 days in advance of the termination date.

If UMPIP is terminated, or if your Plan Sponsor freezes or terminates its participation in UMPIP, your Account will be fully vested and will either remain in UMPIP or be distributed according to the provisions of UMPIP. If your Plan Sponsor freezes participation, your UMPIP Account may be merged, consolidated or transferred to another plan, as described below. If your Account remains with UMPIP, your Plan Sponsor must notify the General Board when you terminate or Retire. If your Plan Sponsor terminates participation, your UMPIP Account must be distributed as soon as possible after the termination date. You may take a distribution and/or roll over your account balance to another qualified retirement plan or IRA.

If UMPIP Is Merged, Consolidated or Transferred

Each Plan Sponsor is entitled to merge its portion of UMPIP with, consolidate its assets with or transfer its assets to another Code section 403(b) plan, provided that its participation in UMPIP is properly frozen and that the UMPIP trustee consents. Your Account will not be reduced because of a merger, consolidation or transfer.

Plan Sponsors

UMPIP is sponsored by qualifying entities that adopt UMPIP with the consent of the General Board for the benefit of their Employees, pursuant to Adoption Agreements. A qualifying entity may include the following Code section 501(c)(3) units controlled by or associated with The United Methodist Church or an autonomous affiliated church:

- a local church;
- an annual, provisional or missionary conference;
- a conference board, agency or commission; or
- any other organization eligible to participate in a "church plan."

Plan Administrator

UMPIP is administered by the General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois, and any successors. The Plan Administrator may be reached at:

1901 Chestnut Avenue
Glenview, Illinois 60025-1604
1-800-851-2201

In its role as Plan Administrator, the General Board keeps records for UMPIP and is responsible for its administration in accordance with its terms. The Plan Administrator has authority and sole discretion to interpret the terms of UMPIP, develop rules and make determinations on questions that may affect your eligibility for benefits and benefit amounts.

UMPIP Name, Type and Year

The name of UMPIP is the United Methodist Personal Investment Plan. UMPIP is a program of one or more church-sponsored retirement income accounts within the meaning of Code section 403(b)(9), with the portions of Supplements One and Two that are paying annuities being defined benefit plans, as that term is defined in Code section 414(j). The defined benefit plans are grandfathered Code section 403(b)(9) defined benefit plans under the Tax Equity and Fiscal Responsibility Act of 1982. All other portions of UMPIP are defined contribution plans, as that term is defined in Code section 414(i).

UMPIP is intended to be a multiple-employer plan involving more than one Plan Sponsor for the purpose of Code section 401(a)(4) but is intended to be a single-employer plan solely for the purpose of Code section 414(e). UMPIP is intended to meet the requirements of a “church plan” under Code section 414(e) and to be exempt from the Employee Retirement Income Security Act (ERISA) under ERISA section 4(b) and Code section 410(d) to the extent permitted under those provisions and other applicable laws. UMPIP is administered on a plan-year basis, beginning on January 1 of each year and ending on December 31 of that same year.

Securities Laws

UMPIP is a church plan that is not subject to registration, regulation or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code or state securities laws. Similarly, the administrator and the trustee of UMPIP and the entities maintaining any investment funds under UMPIP are not subject to those provisions of those Acts or laws. Therefore, Participants enrolled in UMPIP and Beneficiaries will not be afforded the protection of those provisions.

Agent for Service of Legal Process

Any legal process related to UMPIP should be served on:

CT Corporation
208 South LaSalle Street, Suite 814
Chicago, Illinois 60604

UMPIP Trustee

All UMPIP assets are held in a trust, called the Pension Trust of The United Methodist Church, which is qualified under Code sections 501(a) and 501(c)(3), or they may be held in one or more other trusts or insurance contracts. The trustee pays all UMPIP benefits from the trust. The trustee for UMPIP is the UMC Benefit Board, Inc., and any successors. The trustee can be reached at:

1901 Chestnut Avenue
Glenview, Illinois 60025-1604

GLOSSARY

Account means the aggregate of the separate recordkeeping entries maintained by the General Board for the purpose of recording Contributions adjusted for any applicable debits or credits. Any reference to "Account" refers to all of the Accounts maintained in your name under UMPIP, unless the context otherwise requires.

Accounting Date means each business day of each calendar year and any other date upon which your contributions, debits or credits with respect to your Account are made.

Adoption Agreement means the agreement executed by your Plan Sponsor and accepted by the General Board as a part of UMPIP and is the means by which your Plan Sponsor adopts UMPIP, becomes a Plan Sponsor and specifies any optional provisions.

Affiliate means any entity that is:

- a corporation that is a member of the same controlled group of corporations, as defined in Code section 414(b), as your Plan Sponsor;
- a trade or business, whether or not incorporated, under common control with your Plan Sponsor within the meaning of Code section 414(c);
- a member of the same affiliated service group, as defined in Code section 414(m), as your Plan Sponsor; or
- otherwise required to be aggregated with your Plan Sponsor pursuant to Regulations issued under Code section 414(o), but is not itself a Plan Sponsor.

After-Tax Contributions mean your Contributions to UMPIP made in accordance with your election to contribute a portion of your Compensation after income taxes are withheld, but not as Roth Contributions.

Alternate Payee means your Spouse, former Spouse, child or other dependent entitled to receive a portion of your Account under a qualified domestic relations order (QDRO).

Automatic Enrollment means your Plan Sponsor election to automatically begin Before-Tax Contributions to UMPIP for you, if eligible, unless you elect otherwise. Your Plan Sponsor will automatically reduce your Compensation by the amount it elected on its Adoption Agreement. Your Plan Sponsor will remit the amount withheld to your UMPIP Before-Tax Contributions Account.

Before-Tax Contributions mean your Contributions to UMPIP in accordance with your election to contribute a portion of your Compensation before taxes are withheld. Compensation contributed to UMPIP on a before-tax basis will not be taxed until it is distributed from UMPIP.

Beneficiary means the person(s) (including an estate) to whom the General Board will pay your UMPIP Account if you die before receiving a distribution of your entire Account.

Break-in-Service means a period of time beginning on the day you terminate employment, terminate your Conference relationship or Retire from a Plan Sponsor and ending on the day you are re-employed by the same Plan Sponsor.

The Book of Discipline ("the *Discipline*") means the body of church law established by the General Conference of The United Methodist Church, as amended from time to time.

Clergy or Clergyperson means a person who is:

- a bishop;
- an elder or deacon in full connection, a provisional member or an associate member of a Conference who is not currently in the retired relation.;
- a full-time, part-time or student local pastor (as defined in the *Discipline*); or
- a clergyperson of another denomination who is under Episcopal appointment within a Conference pursuant to ¶346.2 and ¶346.3 of the Discipline, provided such person is not participating in a pension program of the denomination to which he or she belongs

Code means the Internal Revenue Code, as amended from time to time, and any regulations, rulings or other administrative guidance issued pursuant thereto by the Internal Revenue Service.

Compensation means, during a calendar year, the sum of the following:

- your 415 Compensation (but excluding any compensation earned outside of such calendar year);
- if you are a Clergyperson, any cash exclusions from your cash salary pursuant to Code section 107(2), i.e., housing allowance exclusion; and
- when you receive:
  - a parsonage as a Clergyperson under Code section 107(1); or
  - housing as provided tax-free to a Lay Employee under Code section 119 or another applicable Code provision,
  - then 25% of the sum of: 1) your 415 Compensation as provided in the first bullet above; and 2) any cash excluded from taxable cash salary pursuant to Code section 107(2) as provided in the second bullet above.

If your Plan Sponsor is a nonqualified church-controlled organization (non-QCCO), your Compensation considered for any Contributions made with respect to any plan year beginning after December 31, 2007 may not exceed $230,000, as adjusted for cost-of-living increases in accordance with Code section 401(a)(17)(B). A non-QCCO is a United Methodist Church-related organization that receives over 25% of its support from the sale of goods and services (as opposed to donations), such as nursing homes, medical facilities, day care centers and colleges.

Conference means any annual conference, provisional annual conference or missionary conference that is described in the *Discipline* and is located in a jurisdictional conference or the Puerto Rico Methodist Church.

Conference-Elective Entity means an extension ministry for which a Conference agrees to make contributions to the Clergy Retirement Security Program (CRSP) on behalf of all Clergypersons under episcopal appointment by that Conference's Bishop to that extension ministry.

Conference-Responsible Salary-Paying Unit means an entity to which you are appointed within your Plan Sponsor's Conference that is:

- A local church or charge;
- A Conference;
- A conference-responsible unit (as defined in ¶344.1*a)*(1) of the Discipline); or
- A Conference-Elective Entity

Contribution means the amount your Plan Sponsor remits to your UMPIP Participant and/or Plan Sponsor Account.

Disclaim means that you or your Beneficiary refuses or waives a benefit before receiving it, such that it passes to another person, such as a successor Beneficiary.

Eligible Rollover Distribution means any distribution of all or any portion of your vested Account balance, except that the term “Eligible Rollover Distribution” does not include:

- Any distribution that is one of a series of substantially equal periodic payments made (not less frequently than annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated Beneficiary or for a specified period of 10 or more years
- Any required minimum distribution
- Any defaulted loans that are deemed distributions
- Any hardship withdrawal
- Any corrective distributions

Employee means any person who is currently employed (in the common-law sense) by the Plan Sponsor or an Affiliate, or who is a leased Employee with respect to your Plan Sponsor or Affiliate, but such term excludes any person who is employed as or through an independent contractor. For the purpose of eligibility under UMPIP, however, “Employee” does not include a leased Employee or a nonresident alien who receives no earned income (as defined in Code section 911(d)(2)) from a Plan Sponsor that constitutes income from sources within the United States (as defined in Code section 861(a)(3)).

If you are disabled or on a Leave of Absence, you are deemed to be an Employee until you incur a Break-in-Service.

Employer means the entity that employs you (in the common-law sense) and pays your Compensation.

415 Compensation means all amounts paid or made available by a Plan Sponsor or Affiliate to you in a limitation year, including:

- your wages, salaries, fees for professional services and other amounts received (without regard to whether an amount is paid in cash) for personal services actually rendered in the course of employment with the Plan Sponsor to the extent that the amounts are includable in your gross income—including, but not limited to, bonuses, fringe benefits and reimbursements or other expense allowances under a non-accountable plan, as described in Treasury Regulations section 1.62-2(c);
- amounts received in connection with disability, an accident or a sickness and described in Code sections 104(a)(3), 105(a), and 105(h), but only to the extent that these amounts are includable in your gross income;
- amounts paid or reimbursed by the Plan Sponsor for moving expenses incurred by you but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible on your tax return;
- amounts relating to before-tax elective contributions made from your Compensation to a Code section 403(b), 415, or 125 plan;
- foreign earned income (as defined in Code section 911(b)); and
- any of the following compensation earned before, but paid within the 2 ½ months after, a Termination of Employment or Retirement: sick leave, accrued sick leave, vacation pay, accrued vacation pay, regular pay, overtime pay, bonuses or other compensation that would normally have been paid in the normal course of employment.

The following payments, when paid after a Termination of Employment or Retirement, are not 415 Compensation: severance pay, unfunded nonqualified deferred compensation and parachute payments.

General Board means the General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois.

HEART Act of 2008 means the Heroes Earnings Assistance and Relief Tax Act. It requires that employers fund pension benefits and make certain types of plan sponsor contributions for a participant who died or became disabled on a qualified military leave.

Incapacity Leave means a conference relationship specified in ¶410.4 of the *Discipline*.

Lay Employee means any Employee who is not a Clergy Employee.

Leave or Leave of Absence means your period of absence from performing your duties for a Plan Sponsor with your Plan Sponsor's approval, provided that you return to work when the Leave authorization ends (or you Retire before then).

Medical Leave means a conference relationship specified in ¶357 of the *Discipline*.

Month of Service means a calendar month during which you receive credit for eligibility and/or vesting, which is generally a calendar month for any part of which you are directly or indirectly paid for the performance of duties or paid for vacation, holiday, illness, disability or other paid leaves.

Participant means a person who qualifies or once qualified for UMPIP enrollment, including an Employee who has retired.

Participant Contributions mean Contributions to your UMPIP Account remitted by your Plan Sponsor from your Compensation on an after-tax basis (including Roth Contributions) or before-tax basis or a rollover or transfer you elect to make to your Account.

Plan Sponsor means an eligible entity that adopts UMPIP with the consent of the General Board for the benefit of its Employees pursuant to an Adoption Agreement.

Eligible Plan Sponsor means entities that are:

- Controlled by or associated with The United Methodist Church or an autonomous affiliated church including local churches and Conference-elective entities;
- A Code section 501(c)(3) organization or a person who normally works at least 500 hours per year as a self-employed minister within the meaning of Code section 414(e)(5)(A)(i)(I); and
- Eligible to sponsor a church plan
  OR
- Any other entity that is not any of the above but to which certain Clergypersons are appointed.

Plan Sponsor Contributions mean Contributions to your Account by a Plan Sponsor of any of the following kinds:

- Non-matching contributions
- Conditional contributions
- Matching contributions
- Qualified non-elective contributions
- Discretionary contributions

Retire or Retirement means Termination of Employment pursuant to the employer's retirement policy or, in the case of Clergy, a change from another relationship to the retired relationship with the Conference and a termination of employment with your current employer.

Roth Contributions means your contributions to UMPIP made in accordance with your election under Code §402A to contribute a portion of your compensation after income taxes are withheld. Roth contributions may earn tax-free investment earnings if the applicable provisions of Code §402A are met.

Salary-Paying Unit means any one of the following associated with The United Methodist Church that pays you Compensation:

- Commission on the General Conference
- A general agency

- A jurisdictional conference
- A Conference
- A Conference board, agency or commission
- A local church located in a Conference
- Any other entity to which a Clergyperson under Episcopal appointment is appointed

Salary-Reduction Agreement means an agreement between you and your Plan Sponsor or Salary-Paying Unit that specifies the amount or percentage of your Compensation to be withheld as Participant Contributions remitted by your Plan Sponsor or Salary-Paying Unit to your Participant Contributions Account.

Service means a period of time measured in months during which you earn one or more of the following:

- 15-year catch-up service;
- eligibility service; and/or
- vesting service.

Spouse means your husband or wife or surviving husband or wife who is legally married to you or was legally married on the date of your death, under the laws of the jurisdiction where you reside or resided. Notwithstanding the foregoing, the term "Spouse" does not include common-law spouses, even in states that recognize common-law marriage.

Supplement One means the frozen remainder of the Cumulative Pension and Benefit Fund (CPBF), which has been preserved as Supplement One to UMPIP, plus related provisions.

Supplement Two means the frozen remainder of the Personal Investment Plan (PIP), which has been preserved as Supplement Two to UMPIP, plus related provisions.

Terminated Participant means a Participant who has incurred a Termination of Conference Relationship or a Termination of Employment.

Termination of Conference Relationship means that you have ceased to be a member of any Conference, including by reason of:

- honorable location within the meaning of ¶359 of the *Discipline*;
- withdrawal within the meaning of ¶361 of the *Discipline*; or
- surrender of your ministerial credentials within the meaning of ¶361.2 or ¶2719.2 of the *Discipline*.

Termination of Employment means your resignation or dismissal for any reason or your death or retirement.

UMPIP means the United Methodist Personal Investment Plan, as reflected in the official plan document as amended, as applied to all Plan Sponsors or any particular Plan Sponsor, as the context requires, including any applicable Adoption Agreements, amendments or supplements hereto.

USERRA means the Uniformed Services and Reemployment Rights Act. It requires that employers fund pension benefits and make certain types of plan sponsor contributions that a re-employed participant did not receive due to qualifying military service.

General Board
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