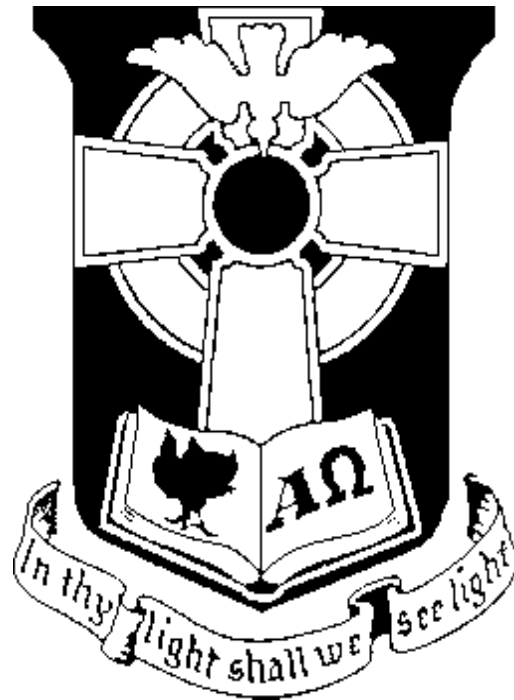


**ASSOCIATE REFORMED PRESBYTERIAN
RETIREMENT PLAN**



Adopted September 1, 1961

As Amended and Restated Effective December 31, 2001

And Amended to June 8, 2006

**ASSOCIATE REFORMED PRESBYTERIAN
RETIREMENT PLAN
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ASSOCIATE REFORMED PRESBYTERIAN RETIREMENT PLAN

**Adopted September 1, 1961
As Amended and Restated Effective December 31, 2001
And Amended to June 8, 2006**

PREAMBLE

The General Synod of the Associate Reformed Presbyterian Church hereby amends and restates in entirety its Retirement Plan for the benefit of its Employees, to be known as the "Associate Reformed Presbyterian Retirement Plan" as amended and restated effective December 31, 2001 and amended to November 7, 2003 as herein set forth and as may be amended from time to time.

ARTICLE I DEFINITIONS

The following words and phrases when used in the Plan, unless the context clearly indicate otherwise, shall have the following meanings:

- (1) **ACTUARIAL EQUIVALENT TABLE:** Any reference in this Plan document to actuarial adjustments, actuarial factors, or actuarial equivalent values refers to actuarial equivalent tables, computed on the basis of the UP 84 mortality table, set back one (1) year and an interest rate of 8% per annum. For lump sum payouts, the "applicable interest rate" for the month of November and the "applicable mortality table" as specified by the Commissioner of the Internal Revenue Service pursuant to Code Section 417 (e) (3) shall be used to determine the present value.
- (2) **ACTUARY:** An independent Enrolled Actuary who is a member of the Society of Actuaries, or a firm of independent actuaries at least one of whose actuaries is an Enrolled Actuary and a member of the Society of Actuaries.
- (3) **BASE SALARY:** The annual compensation payable to an Employee for Church or Synod work, excluding payments in kind or in cash as reimbursement for expenses and excluding all other special payments except that the following payments shall be deemed to be compensation payable to an Employee:
 - (a) Payments to a 403 (b) Tax Deferred Annuity.
 - (b) For periods of service on or after June 12, 1991, and prior to July 1, 2000, disability payments received by Employees under a Synod or Synod Agency Long Term Disability Plan.
 - (c) For periods of service on or after July 1, 2000, for Employees who receive disability payments under a Synod or Synod Agency Long Term Disability Plan, the annualized Earnings at the onset of disability.For periods of service prior to September 1, 1961, Base Salary shall be at the September 1, 1961 rate.
- (4) **CALL:** As set forth in *The Form of Government of the Associate Reformed Presbyterian Church*, the process and written document for establishing and maintaining an Employee relationship with a salaried, ordained minister of the Church serving in a pastoral ministry of the Church. Effective January 1, 2005, the failure of a particular congregation or agency of the Church to meet the terms of a Call for a time period outlined in the *Form of Government of the Associate Reformed Presbyterian Church* will result in the termination of the Call for Retirement Plan purposes and the Participant will cease to accrue additional credit for Service and Earnings until such time as the terms of the Call are being met or until the Participant is subject to a new Call, whichever first occurs.
- (5) **CHURCH:** The Associate Reformed Presbyterian Church.
- (6) **CODE:** The Internal Revenue Code of 1986, as amended.

- (7) EARNINGS: The Base Salary payable to an Employee and specifically including the following, except that for Plan years beginning after December 31, 1988, Earnings in excess of \$200,000 per year, as may be adjusted under Internal Revenue Service 415 (d), shall be disregarded:
- (a) For periods of service on or after January 1, 1979, any amounts paid to a missionary as a child allowance or a vacation allowance.
 - (b) For periods of service on or after January 1, 1982, any housing or utility allowance paid to an Employee, and for an Employee who is provided with housing at no extra charge as part of the employment agreement, a sum equal to 40% of the Employee's Base Salary as being representative of the value of housing.
 - (c) Effective July 1, 1984, for all active Participants as of July 1, 1984, and retired employees who retired from active service prior to July 1, 1984, an additional allowance equal to 40% of such annual Earnings paid prior to January 1, 1982.
 - (d) For periods of service on or after January 1, 1987, all other allowances paid to an Employee.”
 - (e) Effective January 1, 2004, for all Employees who retired from active service prior to January 1, 2004, and are receiving retirement benefits under this Plan, an additional allowance equal to 6.5% of such annual Earnings credited prior to the date of retirement.
 - (f) Effective July 1, 2006, for all Employees who retired from active service on or before July 1, 2006 and are receiving retirement benefits under this Plan, an additional allowance equal to 6.9% of such annual Earnings credited prior to the date of retirement.

In addition to other applicable limitations set forth in the Plan, and notwithstanding any other provision of the Plan to the contrary, for Plan Years beginning on or after January 1, 1994, the Earnings of each Employee taken into account under the Plan shall not exceed the Omnibus Budget Reconciliation Act of 1993 (“OBRA '93”) annual compensation limit. The OBRA '93 annual compensation limit is \$150,000, as adjusted by the Commissioner for increases in the cost of living in accordance with Code Section 401 (a) (17) (B). The cost-of-living adjustment in effect for a calendar year applies to any period, not exceeding twelve (12) months, over which Earnings is determined (“determination period”) beginning in such calendar year. If a determination period consists of fewer than twelve (12) months, the OBRA '93 annual compensation limit will be multiplied by a fraction, the numerator of which is the number of months in the determination period, and the denominator of which is twelve (12).

For Plan Years beginning on or after January 1, 1994, any reference in this Plan to the limitations under Code Section 401 (a) (17) shall mean the OBRA '93 annual compensation limit set forth in this provision.

If Earnings for any prior determination period is taken into account in determining an Employee's benefits accruing in the current Plan Year, the Earnings for that prior determination period is subject to the OBRA '93 annual compensation limit in effect for that prior determination period. For this purpose, for determination periods beginning before the first day of the first Plan Year beginning on or after January 1, 1994, the OBRA '93 annual compensation limit is \$150,000.

For Plan Years beginning on or after January 1, 1999, the Earnings of each Employee taken into account shall not exceed the pay threshold under 414 (q) (1) (B) (i) as adjusted for cost of living increases. The pay threshold was \$80,000 for 1999.

- (8) EMPLOYEE: A salaried, ordained minister of the Church serving in a pastoral or administrative ministry of the Church under the provisions of a Call approved by a Presbytery of the Church, or a career missionary appointed by World Witness, or a salaried employee of the Synod or Synod Agency serving in a supervisory capacity, but excluding employees of Erskine College or Erskine Theological Seminary. Provided, however,
- (a) for service on or after January 1, 2004, the term “Employee” shall exclude a salaried, ordained minister of the Church serving in a pastoral ministry outside the United States, and
 - (b) for service on or after January 1, 2005, the term “Employee” shall exclude a salaried, ordained minister of the Church whose Call has been terminated in accordance with the *Form of Government of the Associate Reformed Presbyterian Church* and the Participant will not accrue additional credit for Service and Earnings, and

- (c) after June 12, 2005, the term "Employee" shall exclude a salaried, ordained minister of the Church whose Call is as an evangelist in accordance with the *Form of Government of the Associate Reformed Presbyterian Church*.

For periods of service on or after January 1, 2004, hours of service shall be credited on the basis of 45 hours for each week that the Participant qualifies as an Employee.

- (9) GENDER AND NUMBER: Whenever applicable, the masculine pronoun as used herein shall include the feminine, and the singular the plural.
- (10) LEASED EMPLOYEE: "Leased Employee" shall mean, effective for Plan Years beginning after December 31, 1996, any person (other than an employee of the recipient) who pursuant to an agreement between the recipient and any other person ("leasing organization") has performed services for the recipient (or for the recipient and related persons determined in accordance with Code Section 414 (n) (6) on a substantially full time basis for a period of at least one year and such services are performed under primary direction or control by the recipient. Contributions or benefits provided a Leased Employee by the leasing organization which are attributable to services performed for the recipient employer shall be treated as provided by the recipient employer.
- A Leased Employee shall not be considered an employee of the recipient if: (a) such employee is covered by a money purchase pension plan providing: (i) a nonintegrated employer contribution rate of a least 10% of compensation, as defined in Code Section 415 (c) (3), but including amounts contributed pursuant to a salary reduction agreement which are excludable from the employee's gross income under Code Section 125, Code Section 402 (e) (3), Code Section 402 (h) (1) (B) or Code Section 403 (b), (ii) immediate participation, and (iii) full and immediate vesting; and (b) Leased Employees do not constitute more than 20% of the recipient's non-highly compensated work force.
- (11) LEAVE OF ABSENCE: The period of time that a Participant does not accrue credit for Service or Earnings and whose Service has not terminated in accordance with Article III (3).
- (12) PARTICIPANT: An Employee, retired Employee, or former Employee, who has met all the requirements of the Plan, and has become included in the Plan as provided in Article II hereof, and who continues to have rights or contingent rights to the benefits payable under the Plan. A Leased Employee shall not be eligible to participate in this Plan. Effective January 1, 2005, a Participant that is qualifying as an Employee on the basis of serving under the terms of a Call will not accrue credit for Service or Earnings during any period of time the Call has been terminated for Retirement Plan purposes in accordance with the *Form of Government of the Associate Reformed Presbyterian Church*.
- (13) PLAN: The Associate Reformed Presbyterian Retirement Plan, the terms of which are herein set forth, as the same may be amended from time to time.
- (14) PLAN YEAR: The Plan's accounting year of twelve months commencing on January 1st of each year and ending the following December 31st.
- (15) PRIOR PLANS: The Associate Reformed Presbyterian Retirement Plan as amended to July 1, 1987.
- (16) RETIREMENT COMMITTEE: The Retirement Committee provided for in Article IX of the Plan.
- (17) RETIREMENT FUND: The Fund established, as provided in Article X hereof, in order to provide for the benefits required by the Plan to be paid from the Retirement Fund.
- (18) SPOUSE: The person who was married to a Participant in a religious or civil ceremony, recognized under the laws of the state where the marriage was contracted; provided, however, that for purposes of Article VI (1) a person shall be considered a surviving Spouse only if such person has been married to the Participant for at least the 12-month period immediately preceding the date of the Participant's death.
- (19) SYNOD: The General Synod of the Associate Reformed Presbyterian Church.
- (20) SYNOD AGENCY: The administrative entity of a Board of the Synod.
- (21) TRUSTEE: The bank, trust company, or the entity designated by the Board of Annuities and Relief under a trust agreement to receive contributions made pursuant to the provisions of the Plan.
- (22) YEAR OF SERVICE: Effective for service on or after January 1, 1993, a Plan Year during which an Employee completes at least 1000 hours of Credited Service.

ARTICLE II
EFFECTIVE DATE: CLASSES OF BENEFITS PROVIDED:
ENTRY INTO PLAN: COSTS OF PLAN

- (1) **EFFECTIVE DATE OF PLAN:** The effective date of the Plan shall be September 1, 1961, as amended and restated effective December 31, 2001.
- (2) **CLASSES OF BENEFITS PROVIDED:**
 - (a) The Plan provides for payment of a retirement income to each Participant who retires in accordance with the provisions of Article IV hereof.
 - (b) The Plan further provides for the payment to certain classes of Participants on death and termination on or after July 1, 1975, as provided in Article VI.
- (3) **ENTRY INTO PLAN:**
 - (a) Each Employee participating in the Plan as of July 1, 1992, shall continue to participate in the Plan in accordance with the restated Plan as of July 1, 1992.
 - (b) Each other Employee shall be entitled to be eligible for entry into the Plan immediately upon his becoming an Employee, provided he submits enrollment forms required by the Retirement Committee within a period of one year from date of eligibility. Otherwise, entry into the Plan shall be dated from the date enrollment procedures are completed unless the Employee dies within one year from the date of eligibility.
 - (c) A Leased Employee, whether or not a common law employee shall not be eligible to participate in the Plan.
- (4) **COSTS OF PLAN:** The entire cost of the benefits provided for under the Plan shall be determined on the basis of a uniform percentage of the Earnings of each Employee and shall be met from contributions or from other funds held or received by the Synod for this purpose. No Employee shall be permitted to contribute toward the cost of the Plan.

ARTICLE III
CONTINUOUS EMPLOYMENT: CREDITED SERVICE:
TERMINATION OF SERVICE

- (1) **CONTINUOUS EMPLOYMENT:** For the purposes of determining periods of Credited Service, the term Continuous Employment shall be deemed to mean service which has not been terminated as defined in Section (3) of this Article.
- (2) **CREDITED SERVICE:**
 - (a) As to Participants who retired prior to January 1, 1968: Credited Service shall be defined in the Prior Plan.
 - (b) As to Participants who retire on or after January 1, 1968: Credited Service shall be the number of Years of Service (number of full years and completed months for service prior to January 1, 1993, rounded to the completed years for all active Participants as of January 1, 1993) of:
 - (i) Service as an Employee including paid furlough time of missionaries.
 - (ii) Service as an employee of Erskine College or Erskine Theological Seminary or service as a Military Chaplain or service as a salaried, ordained minister of the Church serving in a pastoral ministry of the Church outside the United States under the terms of a Call approved by a Presbytery of the Church, provided that:
 - (a) Such person maintains membership in a Presbytery of the Synod during such period of service;
 - (b) such person accrues at least one full year's Credited Service as an Employee prior to such service; and
 - (c) such person retires on or after January 1, 1970.

- (iii) Employment as an employee of another Christian denomination prior to July 1, 1987, provided that:
 - (a) For a Participant transferring his ministerial or lay employee relationship to the Synod:
 - (i) The Synod has approved such denomination, as one from which service credits will be accepted;
 - (ii) the denomination from which the Participant transferred has credited such service under their own retirement plan (if any such plan exists);
 - (iii) such Participant accrues at least one full year's Credited Service as an Employee;
 - (iv) such Participant retires after January 1, 1970.
 - (b) For Participants transferring their ministerial or lay employee relationship from the Synod:
 - (i) The Synod has approved the denomination for such purpose;
 - (ii) the Participant has enrolled in the retirement plan of the denomination to which he transferred as soon as eligible to be enrolled;
 - (iii) the Participant has accrued at least one full year's Credited Service as an Employee subsequent to January 1, 1970 (July 1, 1978 for lay employees) and prior to July 1, 1983, or five years' Credited Service as an Employee subsequent to July 1, 1983.
- (iv) Any period of disability commencing on or after June 12, 1991, and the waiting period applicable thereto, for which the Employee is eligible to receive disability benefit payments under a Synod or Synod Agency Group Long Term Disability Plan.
- (v) Prior Credited Service of an Employee whose continuous employment has been terminated in accordance with Section (3) of this Article, provided such re-employed Employee satisfies any one of the following three conditions:
 - (a) The Employee had become eligible for a deferred vested or immediate pension prior to his termination of continuous employment;
 - (b) the Employee's number of years of Credited Service completed prior to his break in continuous employment exceeds his period of consecutive one year periods of severance from service prior to his re-employment; or
 - (c) the Employee accrues at least five years of Credited Service preceding his approved retirement date.

Nothing in the foregoing shall be construed as requiring this Plan to provide additional benefit accrual attributable to service other than as an Employee under this Plan.

- (3) TERMINATION OF SERVICE: Service shall be deemed to terminate if the consecutive one year periods in which no Credited Service is accumulated exceeds the number of years of Credited Service. The date of termination shall be the end of the Plan Year in which an additional Year of Service would have been required. Service shall terminate earlier in the event of:
 - (a) Resignation of a lay Employee who has not attained eligibility for a retirement benefit as defined in Article IV (1); or
 - (b) transfer to another denomination of an ordained minister; or
 - (c) a voluntary withdrawal from the office of minister of an ordained minister; or
 - (d) the involuntary permanent severance of the employment relationship of a Participant who has not attained eligibility for a retirement benefit as defined in Article IV (1) and who, in the absence of an involuntary severance of the employment relationship would not attain eligibility for a retirement benefit as defined in Article IV (1) prior to Termination of Service because of the failure to accumulate an additional Year of Service, provided, however, that service shall not be terminated during any period (not to exceed one year) that an Employee is absent from work:

- (i) By reason of pregnancy of the Employee;
 - (ii) by reason of birth of a child of the Employee;
 - (iii) by reason of placement of a child with the Employee in connection with the adoption of such child by the individual; or
 - (iv) by reason of caring for such child over a period beginning immediately following such birth or placement.
- (4) **MILITARY SERVICE:** Notwithstanding any provision of this Plan and Trust to the contrary, effective December 12, 1994 contributions, benefits and service credit with respect to qualified military service will be provided in accordance with Code Section 414 (u).

ARTICLE IV RETIREMENT

- (1) **ELIGIBILITY:** For any Participant to become entitled to a retirement benefit under this Plan, he must have attained age 60 and accrued a minimum of three years of Credited Service as defined in Article III (2).
- (2) **NORMAL RETIREMENT DATE:** Each eligible Participant who has attained age 65 (age 64 if the eligible Participant has accrued a minimum of 25 years of Credited Service as defined in Article III (2)) may retire on the first day of any month thereupon or thereafter and shall thereupon become entitled to a normal retirement benefit payable in an amount and in a manner as set forth in Section (1) of Article V thereof.
- (3) **EARLY RETIREMENT:** An eligible Participant who shall have attained at least age 60 but not age 65 (age 64 if the eligible Participant has accrued a minimum of 25 years of Credited Service as defined in Article III (2)) shall be entitled to retire early and receive a reduced retirement income, as set forth in Section (2) of Article V thereof.
- (4) **POSTPONED RETIREMENT:** A Participant may remain in active employment beyond his Normal Retirement Date for such periods as may be mutually agreed upon by the Employee and by the Presbytery of which he is a member, or by a Synod Agency for staff employees. In such event, no retirement benefit will be paid to the Participant until he actually retires, subject, however, to any required minimum distribution pursuant to Article VIII (7).

ARTICLE V AMOUNT OF RETIREMENT INCOME

- (1) **AMOUNT OF RETIREMENT INCOME AT NORMAL RETIREMENT:** Each Participant who shall retire normally as provided in Section (2) of Article IV shall thereupon become entitled to receive an annual retirement income, payable monthly for life, in an amount determined under (a), (b), or (c) following, provided that for Participants whose service has terminated as defined in Article III (3), such benefits are subject to the provisions of Article VI (4). Unless clearly indicated in the Plan, for those Participants who incur a termination of service prior to actual retirement, the retirement benefit shall be determined by the Plan in effect at the end of the Plan Year in which the Participant incurs the termination of service.
- (a) **Normal Retirement Income:** For Participants retiring on or after July 1, 1997, from active employment in the Synod and for retirees who retired from active service in the Synod, 3.1% of the total career Earnings of the Participant. Any increase in benefits payable to a retired Participant (including the beneficiary of a deceased retired Participant) on July 1, 1997, will be computed on the basis of the form of retirement income selected by the Participant at the time of termination of service.

- (b) **Minimum Retirement Income:** The minimum retirement income is applicable for those Participants retiring prior to July 1, 1992. For Participants retiring on or after July 1, 1984 and prior to July 1, 1992, the minimum benefit shall only apply in the case of a Participant who has completed at least 15 years of Credited Service while an Employee, and provided further that for the purpose of this Section (b) the only Credited Service which is to be recognized is Credited Service in the Synod for which Earnings were payable. The minimum annual amount of retirement income for those eligible hereunder shall be computed as an annual benefit equal to the product of \$6.25 multiplied by 12 multiplied by the number of years of recognized credited domestic service within the United States, with proportionate allowance for completed months, plus \$6.50 multiplied by 12 multiplied by the number of years of recognized credited foreign mission service outside of the United States (plus any authorized paid furlough time pertaining thereto), with proportionate allowance for completed months.
- (c) **Maximum Retirement Income:** Notwithstanding any other provisions of the Plan, for years beginning after December 31, 1982, the maximum annual retirement income for any Participant shall be the lesser of \$90,000 or 100 per cent of the Participant's average Earnings for the three consecutive years of Credited Service with the Church or Synod which produce the highest amount; provided, however:
- (i) If the annual benefit commences before age 62, the maximum retirement income may not exceed the lesser of:
- (a) The actuarial equivalent of a \$90,000 annual benefit commencing at age 62; or
 - (b) 100 per cent of the Participant's average Earnings for the three consecutive years of service with the Church or Synod which produce the highest amount.
- This actuarial adjustment will not reduce the \$90,000 limitation below \$75,000 if the benefit begins at or after age 60.
- (ii) If the annual benefit commences after age 65, the benefit may not exceed the lesser of:
- (a) The actuarial equivalent of a \$90,000 annual benefit commencing at age 62, or
 - (b) 100 per cent of the Participant's average Earnings for the three consecutive years of service with the Church or Synod which produce the highest amount.
- Solely for the purposes of this paragraph, actuarial equivalent shall have the same meaning as described in Article I (1), except the interest rate assumption shall be 5% per annum.
- (iii) Effective on January 1, 1988, and each January 1 thereafter, the \$90,000 limitation above will be automatically adjusted to the new dollar limitation determined by the Commissioner of Internal Revenue for that calendar year.
- (2) **AMOUNT OF RETIREMENT INCOME AT EARLY RETIREMENT:** Each Participant who shall retire before he shall have attained age 65 (age 64 if the eligible Participant has accrued a minimum of 25 years of Credited Service as defined in Article III (2)), as provided in Section (3) of Article IV, shall be entitled to receive a retirement income as provided in Section (1), above, commencing at the time of such early retirement, based upon his Credited Service and Earnings up to the time of such early retirement, and actuarially reduced on account of the shorter period of accumulation of reserves and the increased period of payment.
- (3) **AMOUNT OF RETIREMENT INCOME AT POSTPONED RETIREMENT:** Each Participant who shall retire after age 65 as provided in Section (4) of Article IV, shall be entitled to receive a retirement benefit equal to the greater of (a) the retirement income as provided in Section (1) above, or (b) the Actuarial Equivalent of the retirement benefit such Participant was entitled to at the close of the prior Plan Year.

**ARTICLE VI
 QUALIFIED PRERETIREMENT SURVIVOR ANNUITY: DEATH BENEFIT:
 SURVIVOR INCOME BENEFIT: TERMINATION BENEFIT**

(1) QUALIFIED PRERETIREMENT SURVIVOR ANNUITY:

- (a) Eligibility: In the event of death, on or after August 23, 1984, of a Participant who is not eligible for retirement benefits as provided under Article VII (2), a deferred survivor benefit may be payable to a surviving Spouse (as defined in Article I (17)) of:
 - (i) A vested Participant whose employment has not terminated as defined in Article III (3); or
 - (ii) a Participant who terminated after September 1, 1974, and prior to August 23, 1984, with a deferred vested retirement benefit or who shall become qualified for a deferred vested retirement benefit, and who has elected to receive this benefit; or
 - (iii) a vested Participant who terminates on or after August 23, 1984, and who has not elected to waive this benefit.
- (b) Commencement of Benefit: The Qualified Preretirement Survivor Annuity (QPSA) shall be paid to the surviving Spouse in monthly installments beginning with the month commensurate with or next following the month in which the Participant would have attained age 65 or, if earlier, the month following the month in which the last payment of any benefit due under Section (2) of this Article is made, but in no event before the month commensurate with or next following the month in which the Participant would have attained age 60 (Benefit Commencement Month).
- (c) Amount of Benefit: The amount of the QPSA shall be the amount that would have been paid to a surviving Spouse based on the Participant's accrued benefit at the time of death as if the Participant had:
 - (i) Terminated employment on the date of death (in the case of a Participant who is actively employed on the date of death);
 - (ii) survived to the Benefit Commencement Month;
 - (iii) retired as of the first day of the Benefit Commencement Month; and
 - (iv) died the next day.

Participants who terminated prior to August 23, 1984, with a QPSA or who shall become qualified for a QPSA will be notified of their right to elect this option. Those Participants who terminate on or after August 23, 1984, with a QPSA or who shall become qualified for a QPSA will be notified of their right to waive this option. Those who elect this QPSA shall have their termination benefits reduced to reflect the cost of providing the surviving Spouse benefits. An election to waive this QPSA requires spousal consent, but may be revoked by the Participant in such manner as prescribed in Article VII (2) anytime prior to the Participant's death. The reduction shall be as follows:

For Each Year Of Coverage	Percentage Reduction For Each Year of Coverage			
	<u>50%</u>	<u>66 2/3%</u>	<u>75%</u>	<u>Full</u>
Under Age 35	Free	Free	Free	Free
Age 35 to 44	.06	.08	.09	.12
Age 44 to 54	.12	.16	.18	.24
Age 55 to 64	.25	.33	.38	.50

- (2) SURVIVOR INCOME BENEFITS: In addition to the benefit payable in accordance with Section (1) of this Article, if any, benefits will be payable to eligible surviving dependents, if any, of Employees who die during a period in which Earnings are payable or during a period of total disability in which the Employee is eligible to receive disability benefit payments, including the waiting period thereof, under a Synod or Synod Agency Group Long Term Disability Plan.

- (a) Spouse Alone—For a Spouse not having attained age 65 upon the Participant's death, a monthly benefit equal to 20% of the monthly equivalent of the Participant's Earnings (maximum monthly benefit of \$800) will be paid beginning with the first day of the calendar month coinciding with or next following the Participant's death and each month thereafter with the last payment due on the first day of the month preceding the earlier to occur of the Spouse's attainment of age 65 (except as noted in the last sentence of this Article VI (2) (a)), death, or if eligible for a death benefit under Section (1) of this Article VI, at the deceased Participant's attainment of age 65 if such benefit is larger. If at attainment of age 65, the Spouse has not yet qualified for the death benefit payable under Section (1) of this Article VI, payments will be continued until the first day of the calendar month coinciding with or next following the deceased Participant's attainment of age 60.
- (b) Child or Children Alone—In the absence of a surviving Spouse upon the death of the Participant, a monthly benefit will be paid beginning with the first day of the calendar month coinciding with or next following the Participant's death and each month thereafter with the last payment due on the first day of the month in which there is not at least one unmarried child who has not attained age 19, or age 23 if a full-time student (at an accredited institution of higher learning). The monthly benefit shall be equal to 20% of the monthly equivalent of the Participant's Earnings. The maximum monthly benefit is \$800.
- (c) Spouse and at least one child—Where an eligible dependent exists under subsections (a) and (b), then, the monthly benefit shall be equal to 30% of the monthly equivalent of the Participant's Earnings. The maximum monthly benefit is \$1200. Beginning with the payment due following the month in which there ceases to be an eligible spouse under (a) above or an eligible child under (b) above, the monthly benefit payable shall be reduced to the lesser of 20% of the monthly equivalent of the Participant's Earnings and \$800.
- (3) DEATH BENEFIT: In addition to the benefit payable in accordance with Section (1) of this Article, if any, and/or Section (2) of this Article, if any, a death benefit will be payable to the Spouse or other designated beneficiary of Employees who die during a period in which Earnings are payable or during a period of total disability in which the Employee is eligible to receive disability benefit payments, including the waiting period thereof, under a Synod or Synod Agency Group Long Term Disability Plan. The benefit will be the greater of the Employee's Earnings for the previous twelve (12) months or twelve (12) times the Employee's Earnings for the previous one (1) month period.
- (4) TERMINATION BENEFITS: In the event that a Participant's employment terminates in accordance with Article III (3), the terminated Participant shall be entitled to a retirement benefit deferred to his Normal Retirement Date calculated in accordance with Article V (1) or earlier actual retirement calculated in accordance with Article V (2) based on his Earnings at time of termination, the amount so determined, then multiplied by the Participant's vested percentage pursuant to the following schedule:

<u>Years of Continuous Employment</u>	<u>Vested Percentage</u>
Less than 3	0
3	20
4	40
5	60
6	80
7	100

The benefits described under this Section are payable in accordance with the provisions of Article IV (Retirement). In lieu of any benefit payable in the form of a monthly annuity commencing at age 65 (age 64 if the eligible Participant has accrued a minimum of 25 years of Credited Service as defined in Article III (2)), the Participant will be paid the actuarial equivalent value of his benefit as a lump-sum amount provided such amount is less than \$1,000. The lump-sum amount will be equal to the present value of the accrued benefit (the amount of retirement income at normal or postponed retirement, based on his Earnings and Credited Service at the time of termination) calculated in accordance with Section (1) of Article V and based on the Participant's Vested Percentage as provided for in this Section (4).

**ARTICLE VII
NORMAL AND OPTIONAL FORMS OF RETIREMENT**

- (1) **NORMAL FORM OF RETIREMENT INCOME:** The normal form of retirement income under the Plan shall be an annuity payable monthly for life, in an amount determined as provided in Article V hereof, and subject to all of the provisions and conditions of the Plan.
- (2) **NORMAL FORM OF RETIREMENT INCOME FOR PARTICIPANT WITH SPOUSE:** The normal form of retirement income for a Participant who, at his retirement date, has a Spouse as defined in Article I (17), shall be a retirement benefit adjusted actuarially from the Normal Form of Retirement Benefit as defined in Section (1) of this Article, payable monthly during the Participant's lifetime, with a retirement benefit to continue to his surviving Spouse after his death at the rate of 50% of the adjusted retirement benefit. The amount of the adjusted retirement benefit to the Participant shall be determined by applying the appropriate actuarial factor, based on the Participant's age and the age of his Spouse, to the Normal Form of Retirement Benefit.
- (3) **OPTIONAL FORMS OF RETIREMENT INCOME:** In lieu of the Normal Form of Retirement Income and in lieu of the Normal Form of Retirement Income for Participant with Spouse, a Participant may elect to receive optional retirement benefits having actuarially equivalent value, in any one of the following forms, subject to the conditions as set forth in Sections (4) and (5) of this Article:
 - (a) **A Joint and Survivor Annuity:** A Joint and Survivor Annuity in a reduced amount, payable to the retired Participant during his lifetime, and to continue after his death at the full continuation rate, or at the three-quarters, two-thirds or one-half rate (according to the election of the Participant), to the designated contingent annuitant during the lifetime of such person after the death of the retired Participant.
 - (b) **Annuity Guaranteed for a Certain Period up to the Employee's Life Expectancy as of the Date of Commencement of Benefits:** A reduced annuity payable during the lifetime of the retired Participant and guaranteed to continue to the retired Participant or, after his death, to a designated beneficiary for a period not to exceed the life expectancy of the Participant as of the date of commencement of benefits. The Participant's life expectancy varies by age as follows:

Age at Retirement	Life Expectancy Payment Period (years)
60	18
61	17
62	16
63	16
64	15
65	14
66	14
67	13
68	12
69	12
70	11
71	11
72	10
73	10
74	9
75	9

The payment of this benefit will be made for at least the chosen period, regardless of whether the Participant survives such period. The designation of beneficiary under this option may be changed by the Participant at any time prior to the death of the Participant. If neither the retired Participant nor his beneficiary survives such period, the commuted value of the payments for the remainder of such period shall be payable in one sum to the estate of the last to die.

- (c) An annuity payable monthly to the retired Participant during his lifetime.
- (4) CONDITIONS RELATIVE TO AUTOMATIC JOINT AND SURVIVOR BENEFIT: Upon the request of a Participant, the Retirement Committee shall furnish in writing to the Participant the terms and conditions of the automatic Joint and Survivor Option and the effect of the Participant's revoking or continuing this option. To become effective an election in lieu of the automatic 50% Joint and Survivor Option:
- (a) Must have the written consent of the Spouse of the Participant, witnessed by a member of the Retirement Committee or a notary public, and acknowledging the effect of the alternate election; and
 - (b) must be made at least 90 days prior to the benefit commencement date, provided, however, that the Participant may, without the Spouse's consent, revoke such alternate election in favor of the automatic 50% Joint and Survivor Option at anytime during the 90 day period prior to commencement of the benefit.
- (5) CONDITIONS RELATIVE TO OPTIONAL BENEFITS:
- (a) Except as provided in Section (2) of this Article regarding the Automatic Joint and Survivor Option, an election of an optional form of benefit must be made at least one year before the attainment of age 65 or earlier actual retirement of the Participant.
 - (b) Except as provided in Section (2) of this Article regarding the automatic 50% Joint and Survivor Option, to elect a Joint and Survivor Annuity the Participant shall designate his contingent annuitant on a form provided for the purpose, and shall furnish to the Retirement Committee proof satisfactory to the Retirement Committee of the age of his Contingent Annuitant.
 - (c) Except as provided in Section (2) of this Article regarding the automatic 50% Joint and Survivor Option, the election of an optional form of benefit which has been timely filed shall become effective at age 65 (regardless of whether the Participant continues in active employment after such date), or upon his earlier actual retirement and shall remain in full force and effect thereafter notwithstanding the re-employment or continued employment of the Participant.
 - (d) If a Participant shall have elected a Joint and Survivor form of retirement benefit and:
 - (i) If the contingent annuitant shall die before the benefits commence, the election shall thereupon become void;
 - (ii) if the Participant shall die before the attainment of age 60, the election shall thereupon become void and the contingent annuitant shall not be entitled to an annuity under such option, except that the surviving Spouse may be entitled to benefits under the provisions of Article VI (1);
 - (iii) if the Participant shall remain in active service or become re-employed in the Synod after the date upon which his attainment of age 60 occurs, his election shall nevertheless continue to be effective, and if the Participant shall die before retiring, his contingent annuitant shall receive the amount of annuity which would be payable to such contingent annuitant in accordance with such election, as if such Participant had retired on the date of his death, and if the contingent annuitant shall die before the Participant shall actually retire, such Participant shall be entitled, after retiring, to receive only the reduced annuity payable to him in accordance with such election;
 - (iv) if the contingent annuitant shall die after commencement of the Joint and Survivor annuity, but before the death of the retired Participant, such Participant shall continue to receive the reduced annuity payable to him in accordance with such election.

- (6) **SURVIVOR'S BENEFITS:** If a Participant dies after benefits have commenced under an option, the income payable to his designated beneficiary while living shall be determined under the option elected.

In lieu of any benefit under Article VI, Section (1), if a Participant who has elected an optional form of benefit dies before benefits have commenced, but after age 60, and if, with respect to any option requiring the filing of a specific election on his part, he has filed such election of an optional form of benefit prior to January 1, 1976, or at least one year prior to his date of death, the benefit shall commence effective as of the first of the month next following the date of death of the Participant and will be payable to his designated beneficiary in accordance with the option elected. The amount of benefit payable shall be computed as if the Participant had retired on the first day of the month coincident with or next following the date of his death. Accordingly, the monthly benefit payable to the designated beneficiary will be based on the Participant's Credited Service and Earnings up to his date of death and will be actuarially reduced in accordance with the optional form elected and further actuarially reduced on account of the shorter period of accumulation of reserves and the longer period over which benefits will be paid.

ARTICLE VIII PAYMENT OF BENEFITS

- (1) **ONLY AUTHORIZED NET BENEFIT PAYABLE:**

- (a) No benefit shall be payable under the Plan except as expressly provided for in this Article VIII.
- (b) No payment of benefits shall be made under the Plan except as authorized by the Retirement Committee.

- (2) **DATE AND DURATION OF PAYMENT:**

- (a) The retirement income payable under the Plan to a retired Participant shall commence, if he shall then be living, as of the first day of the month in which his actual retirement takes place in accordance with the provisions of Article IV hereof.
- (b) Except as provided in Section (3), below, the retirement income shall be payable to the retired Participant as of the first day of each month thereafter during his lifetime, subject to any optional form of retirement income which shall have become effective.

- (3) **REEMPLOYMENT OF A RETIRED PARTICIPANT:**

- (a) The retirement income payable under the Plan to any retired Participant shall cease as of the first date of rehire, if such Participant is rehired in the Synod, and shall resume as of the first day of the month following subsequent retirement subject to the provisions of (c) below. Such cessation or suspension of retirement income payable shall not affect the payment of benefits after the death of a re-employed Participant under any optional form of benefit which shall at the time be in effect.
- (b) Upon the reemployment of a retired Participant prior to his attainment of age 70, he shall be eligible immediately to accrue further credits toward his retirement benefit.
- (c) In any case where the payment of a retirement income which was reduced on account of early retirement is suspended on account of reemployment, the amount of the retirement income to be paid on subsequent retirement shall be actuarially determined on the basis of the Participant's additional service to age 70, amount of benefit paid prior to reemployment and other relevant factors.

- (4) **PAYMENT TO MINORS AND INCOMPETENTS:** If the Retirement Committee shall receive satisfactory evidence that any person who is entitled to receive any benefit under the Plan, at the time when such benefit becomes payable, is a minor or is physically unable or mentally incompetent to receive such benefit and to give valid release thereof, and that another person or an institution is then maintaining or has custody of such person and that no guardian, committee or other representative of the estate of such person shall have been duly appointed, the Retirement Committee may authorize payment of any such benefit to such other person or institution, and the release of such other person or institution shall be a valid and complete discharge for the payment of such benefit.

- (5) **MISSTATEMENT IN APPLICATION FOR BENEFIT:** If any Employee or Participant in his application to participate in this Plan or for a benefit, or in response to any request by the Retirement Committee for information, makes any statement which is erroneous or omits any material fact or fails before receiving his first payment to correct any information that he previously furnished to the Retirement Committee for its records, the amount of his benefit shall be adjusted on the basis of the facts, and the amount of any overpayment theretofore made to such Participant shall be deducted from his next succeeding payments as the Retirement Committee shall direct.
- (6) **MISSING PERSONS:** If the Retirement Committee is unable, within seven years after any benefit becomes due from the Retirement Fund to any person entitled thereto under the Plan, to authorize payment of such benefit because the identity or whereabouts of such person cannot be ascertained, the Retirement Committee may direct that such benefit and all further benefits with respect to such person shall be forfeited, and all liability for the payment thereof shall terminate.
- (7) **DISTRIBUTION OF BENEFITS:** Notwithstanding any other provision of this Plan to the contrary, a form of retirement benefit payable from this Plan that is elected after December 31, 1983, shall satisfy the following conditions:
- (a) If the retirement benefit is payable before the Participant's death:
- (i) It shall either be distributed or commence to the Participant not later than the April 1 of the calendar year following the later of:
- (a) the calendar year in which the Participant attains age 70 1/2, or
- (b) the calendar year in which he retires.
- (ii) The distribution shall commence not later than the calendar year defined in (i) above and:
- (a) Shall be paid over the life of the Participant or over the lifetimes of the Participant and his Spouse or designated beneficiary, or
- (b) shall be paid over the period extending not beyond the life expectancy of the Participant and his Spouse or designated beneficiary.
- Where a form of retirement benefit payment has commenced in accordance with the preceding paragraphs and the Participant dies before his entire interest in the Plan has been distributed, the remaining portion of such interest in the Plan shall be distributed no less rapidly than under the form of distribution in effect at the time of the Participant's death.
- (b) If the Participant's death occurs before the distribution of his interest in the Plan has commenced, his entire interest in the Plan shall be distributed within five years of his death unless it is to be distributed in accordance with the following rules:
- (i) The Participant's remaining interest in the Plan is payable to his Spouse or designated beneficiary;
- (ii) the remaining interest is to be distributed over the life of the Spouse or designated beneficiary or over a period not extending beyond the life expectancy of the Spouse or designated beneficiary; and
- (iii) such distribution begins within one year of the Participant's death unless the beneficiary is the Participant's Spouse in which case the distribution need not begin before the date on which the Participant would have attained age 70 1/2 and if the Spouse dies before the distribution to the Spouse begins, this Section (7) (b) (iii) shall be applied as if the Spouse were the Plan Participant.
- (8) **APPLICABLE INTEREST RATE:** For purposes of Sections (9) and (10) of this Article, Applicable Interest Rate shall mean the interest rate or rates (as in effect as of the first day of the Plan year in which a distribution occurs) which would be used by the Pension Benefit Guaranty Corporation for purposes of determining the present value of that Participant's benefit under the Plan if the Plan had terminated on the first day of the Plan year with insufficient assets to provide benefits guaranteed by the Pension Benefit Guaranty Corporation on that date.

- (9) **SMALL PAYMENTS:** In the event that any benefit provided under the Plan has a commuted value at the date such value is determined in an amount less than \$1,000, the Retirement Committee will direct that a lump sum settlement be paid in lieu of any other benefits under the Plan. Upon reemployment of a Participant who has received such a distribution, any Plan provisions relating to restoration of continuous service for benefit credit purposes shall not be applicable.

However, no lump sum settlement can be paid after benefit payments have commenced unless the Participant and his or her Spouse (or his or her surviving Spouse) consents in writing to the lump sum settlement.

For purposes of determining whether the present value of any benefit provided under this Plan has a value, at the date such value is determined, in an amount less than \$1,000, the present value of such benefit shall be calculated by using an interest rate no greater than the Applicable Interest Rate.

In no event will the present value of any benefit payable under this section be less than the greater of:

- (a) The present value of such benefit determined under Article I (1); or
- (b) the present value of such benefit using the Applicable Interest Rate.

- (10) **PARTICIPANT'S VESTED ACCRUED BENEFIT:**

- (a) For purposes of determining the amount of a Participant's vested accrued benefit, the interest rate used shall not exceed:
 - (i) The Applicable Interest Rate if the present value of the benefit (using such rate or rates) is not in excess of \$25,000; or
 - (ii) 120% of the Applicable Interest Rate if the present value of the benefit exceeds \$25,000 (as determined under (i) above). In no event shall the present value so determined be less than \$25,000.
- (b) In no event shall the amount of the benefit determined under this section be less than the greater of:
 - (i) The amount of such benefit determined under Article I (1); or
 - (ii) the amount of such benefit determined using the Applicable Interest Rate if the value determined in Section (a) above is less than \$25,000 or 120% of the Applicable Interest Rate if the value determined in (a) above is not less than \$25,000.

- (11) **QUALIFIED DOMESTIC RELATIONS ORDER:** Notwithstanding the provisions of Section (1) of Article XI, all or a portion of the benefits payable under this Plan, in accordance with Articles V and VI, may be paid to a person other than the Participant or contingent annuitant, as the case may be, if required under a Qualified Domestic Relations Order as provided under Code Section 206 (d) of ERISA as amended by the Retirement Equity Act of 1984.

- (12) **ROLLOVER DISTRIBUTIONS:** This Section (12) of this Article applies to distributions made on or after January 1, 1993. Notwithstanding any provision in this Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Retirement Committee, to have any portion of an eligible rollover distribution paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

When used in this Section (12), the following terms shall have the indicated meanings:

- (a) "Eligible rollover distribution" shall mean any distribution of all or any portion of the accrued benefit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten (10) years or more; any distribution to the extent such distribution is required under Code Section 401 (a) (9); and the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).

- (b) "Eligible retirement plan" shall mean an individual retirement account described in Code Section 408 (a), an individual retirement annuity described in Code Section 408 (b), an annuity plan described in Code Section 403 (a), or a qualified trust described in Code Section 401 (a), that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.
- (c) "Distributee" includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Code Section 414 (p), are distributees with regard to the interest of the spouse or former spouse.
- (d) "Direct rollover" shall mean a payment by the Plan to the eligible retirement plan specified by the distributee.

ARTICLE IX ADMINISTRATION

- (1) **RETIREMENT COMMITTEE:** The Plan shall be administered by a Retirement Committee consisting of not less than three members, the majority of whom shall be laymen who shall be appointed from time to time by the Synod to serve at its pleasure, or by the Board of Synod charged with insurance and retirement to serve at its pleasure, as the Synod may direct. Members of the Retirement Committee may participate in the benefits under the Plan provided they are otherwise eligible to do so. No member of the Retirement Committee shall receive any compensation from the Retirement Fund for his services as such. No bond or other security shall be required of any member of the Retirement Committee in such capacity in any jurisdiction.
- (2) **POWERS AND DUTIES OF THE RETIREMENT COMMITTEE:**
 - (a) The Retirement Committee shall have the following powers and duties:
 - (i) To establish and enforce such rules, regulations and procedures as it shall deem necessary or proper for the efficient administration of the Plan;
 - (ii) To interpret the Plan, its interpretation thereof in good faith to be final and conclusive;
 - (iii) To decide all questions concerning the Plan and the eligibility of any Employee to participate in the Plan;
 - (iv) To compute the amount of benefits which shall be payable to any Employee, Participant, retired Participant, contingent annuitant or beneficiary in accordance with the provisions of the Plan, and to determine the person or persons to whom such benefits shall be paid; and
 - (v) To authorized the payment of benefits.
 - (vi) To appoint, or remove once appointed, counsel, specialists, investment managers and other persons as the Retirement Committee deems necessary or desirable in connection with the administration of this Plan.
 - (b) In the exercise of all of its functions, the Retirement Committee shall act in an impartial and nondiscriminatory manner.
- (3) **LIABILITY LIMITED:** In administering the Plan, neither the Retirement Committee or any member thereof; nor the Synod or any member thereof, shall be liable for any acts of omission or commission, except for his or its own individual willful and intentional malfeasance or misfeasance. The members of the Synod and each member of the Retirement Committee shall be entitled to rely conclusively on all tables, valuations, certifications, opinions and reports which shall be furnished by an actuary, accountant, trustee, insurance company, counsel or other expert who shall be employed or engaged by the Synod or by the Retirement Committee.
- (4) **DELEGATION OF AUTHORITY:** The Retirement Committee may for a given period of time, or until such authority is revoked, authorize any one of its members to act for it in reaching determinations in taking actions within the general policies approved by the Retirement Committee. Such authority to one member of the Retirement Committee may include authority to enforce the rules, regulations and procedures established by the Retirement Committee, to determine the status of any individual claiming rights under the Plan and to authorize payments to any individual entitled thereto, all within the general policies approved by the Retirement Committee and subject to review by said Retirement Committee.

**ARTICLE X
RETIREMENT FUND**

(1) **RETIREMENT FUND:**

- (a) The Synod shall maintain a Retirement Fund into which the contributions for Plan costs shall be paid and existing funds for retirement purposes shall be commingled. The Retirement Fund may comprise a trust fund held by a trustee, a group insurance or a group annuity contract or contracts or other forms of insurance contracts including a deposit administration contract or contracts or any combination thereof.

Contributions for Plan costs shall be paid at such times and in such amounts as the Synod shall determine and as may be necessary to keep the Retirement Fund actuarially sound. At no time prior to the satisfaction of all liabilities under the Plan with respect to Participants, retired Participants, persons who are currently receiving retirement or other benefits from the Synod as of the effective date of this Plan, contingent annuitants and beneficiaries, shall any part of the corpus or income of the Retirement Fund be used for, or diverted to, any purpose other than for their exclusive benefit. No person shall have any financial interests in or right to the Retirement Fund or any part thereof, except as expressly provided for in the Plan.

- (b) Each person who shall claim the right to any payment under the Plan shall be entitled to look only to the Retirement Fund for such payment. No liability for the payment of benefits under the Plan shall be imposed upon the Synod, the Retirement Committee or any member of either thereof.

(2) **ACTUARIAL EXAMINATION AND AUDIT:**

- (a) Periodically at their discretion, but not less than once every three years, the Retirement Committee shall cause the liabilities of the Plan to be evaluated by an actuary who shall report to the Board of Annuities and Relief as to:

- (i) The soundness and solvency of the Retirement Fund in relation to the aforesaid liabilities, and
(ii) the amount of the annual deposit which would be sufficient to provide for currently accruing liabilities.
(iii) At least once each year, the records of the Retirement Committee shall be audited by a certified public accountant who shall report to the Board of Annuities and Relief as to the accuracy of such accounts.

**ARTICLE XI
MISCELLANEOUS PROVISIONS**

- (1) **NON-ALIENATION OF BENEFITS:** No benefit which shall be payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, garnishment, encumbrance or charge.
- (2) **PLAN NOT A CONTRACT OF EMPLOYMENT:** The Plan shall not be deemed to constitute a contract between the Synod and any member or employee thereof, or to be a consideration for the employment of any employee. Nothing in the Plan shall give any member or employee the right to be retained in the employ of any church, or of the Synod, or any part or agency thereof.
- (3) **LIMITATION CONCERNING 25 HIGHEST-PAID EMPLOYEES AS REQUIRED BY THE U.S. TREASURY REGULATIONS:**
- (a) In the event that either the Plan shall be terminated during the ten-year period following its effective date or the full current cost of the Plan shall not have been met, then anything contained in the Plan to the contrary notwithstanding except in the various paragraphs of this Section (3), the following limitations shall apply to the part of the Retirement Fund which may be used for the benefit of any one of the following persons:
- (i) As to any person who on the effective date of this Plan shall have been among the 25 highest-paid Employees and whose anticipated annual retirement benefit payable under the Plan on normal retirement exceeds \$1,500, if such event should occur within 10 years following the effective date of this Plan, such part shall not exceed the greater of:
- (ii) \$20,000; or

- (iii) an amount equal to 20% of the employee's average regular annual compensation, but not in excess of \$10,000, multiplied by the number of years since the effective date of this Plan.
 - (iv) If the full current cost of this Plan shall at any time during the ten-year period following its effective date not have been met, but the Plan shall not have been terminated, the limited amount of current monthly retirement benefit allowable to any person under Subsection (a) of this Section (3) shall be increased to the extent necessary to provide the full monthly retirement benefit otherwise allowable under the Plan, provided, however, that the aggregate of such additional monthly payments in the year then current to all such persons does not exceed the aggregate contributions already made under the Plan in the year then current. If the aggregate of such contributions would be so exceeded, the additional payments to which any such person would otherwise be entitled shall be reduced in the proportion that the aggregate of such contributions bear to the aggregate of such additional payments.
 - (v) If the retirement benefit of any person shall have been suspended in part in accordance with Section (3) (a) of this Article because the full current costs of the Plan shall not then have been met, the full amount of the retirement benefit payable to him shall be resumed and the part of any benefit which shall have been suspended shall then be paid in full.
 - (vi) In the event that it shall be determined by statute, court decision, ruling by the Internal Revenue Service or otherwise, that the provisions of this Section (3) are no longer necessary to qualify the Plan under the Internal Revenue Code, this Section (3) shall be ineffective without amendment of the Plan.
- (4) MODIFICATION OR DISCONTINUANCE OF THE PLAN:
- (a) The Synod expects and intends to maintain the Plan in force indefinitely, but necessarily reserves the right to change or discontinue the Plan at any time.
 - (b) Change or Suspension of Contributions: At any time and from time to time, the Plan may be changed in whole or in part, or contributions may be suspended, provided that:
 - (i) No change shall be effective unless the Plan, as so changed, shall, prior to the satisfaction of all liabilities with respect to Participants who have not retired, retired Participants, contingent annuitants and beneficiaries under the Plan, be for the exclusive benefit of such persons; and
 - (ii) no change shall deprive any person without his consent of his right to the benefits which had accrued to his credit up to the time of such change.
 - (iii) In the event the Plan is terminated or partially terminated, the accrued benefits of all affected Participants to the extent then funded shall vest immediately and without forfeiture. Suspension of contributions on a temporary basis for reasons deemed adequate by the Synod shall not be considered a termination of the Plan.
 - (c) In the event of any merger or consolidation with, or transfer of assets or liabilities to, any other retirement plan of the Church or its affiliates, each Participant in the Plan will (if the Plan had then terminated) be entitled to a benefit immediately after the merger, consolidation, or transfer which is equal to or greater than
 - (d) the benefit he would have been entitled to immediately before the merger, consolidation, or transfer (if the Plan had then terminated).
- (5) DISTRIBUTION OF ASSETS OF RETIREMENT FUND ON TERMINATION OF PLAN:
- (a) In the event that it becomes necessary to terminate the Plan, the assets then remaining in the Retirement Fund shall be applied in the following order, all persons in each class being entitled to their respective proportionate shares:
 - (i) Firstly: Provision to retired Participants and their contingent annuitants and beneficiaries of any remaining benefits to which they shall be entitled under the Plan.
 - (ii) Secondly: Provision to Participants who shall at that time be entitled to retire normally, and to their contingent annuitants and beneficiaries of the remainder of the benefits to which they shall be entitled or contingently entitled under the Plan.
 - (iii) Thirdly: Provision to all other Participants of the remainder of the benefits to which they shall be entitled or contingently entitled under the Plan.

- (b) Any reserves which shall be released as a result of the application of the provisions of Section (3) of this Article XI shall be added to the portion of the Retirement Fund which is distributed as provided above to Participants whose benefits are not restricted, provided that in the event that all of the benefits accrued to such Participants are fully provided for, such released reserves (or any remaining portion thereof), shall be allocated to such unrestricted Participants in direct proportion to the value of their benefits accrued up to the time of discontinuance of the Plan, and shall be distributed to such Participants, either in cash or in the form of additional benefits similar to those provided under the Plan.

**ARTICLE XII
TOP-HEAVY PROVISIONS**

- (1) **DEFINITIONS:** For purposes of this Article XII, the following words and phrases shall have the following meanings:

- (a) **PLAN YEAR:** Plan Year is deemed to be the calendar year.
- (b) **KEY EMPLOYEE:** Any Employee or the beneficiary of such Employee who, at any time during the Plan Year or the preceding four (4) Plan Years, is an officer of the Synod. For purposes of this paragraph, no more than 50 Employees (or, if lesser, the greater of 3 Employees or 10% of all Employees) shall be treated as officers.

The specific officers included shall be selected from the officers in the current Plan Year or in any one of the four (4) preceding Plan Years who had the largest annual Earnings in that five (5) year period. For any Plan Year, an Employee shall not be considered an officer if his annual Earnings is not greater than 150 per cent of the dollar limitation on annual additions to defined contributions plans as provided under Code Section 415 (c) (1) (A) of the Internal Revenue Code.

For Plan Years beginning after December 31, 2001, Key Employee means any Employee or former Employee (including any deceased employee) who at any time during the Plan Year that includes the Determination Date was an officer of the Employer having annual compensation greater than \$130,000 (as adjusted under Code Section 416 (i) (1) for Plan Years beginning after December 31, 2002), a Five Percent Owner of the Employer, or a One Percent Owner of the Employer having annual compensation of more than \$150,000. For this purpose, annual compensation means compensation within the meaning of Code Section 415 (c) (3). The determination of who is a Key Employee will be made in accordance with Code Section 416 (i) (1) and the applicable regulations and other guidance of general applicability issued thereunder.

- (c) **PRESENT VALUE OF CUMULATIVE ACCRUED BENEFITS:** The Cumulative Accrued Benefits of any Employee shall be his accrued benefit as determined in Article V of the Plan. The Present Value of such benefit shall be computed on the basis stated in Article I, (1). The Present Value of Cumulative Accrued Benefits shall include amounts distributed to the Participant within the five-year period ending on the Determination Date.

For Plan Years beginning after December 31, 2001, the following shall apply for purposes of determining the present values of Accrued Benefits and the amounts of Account balances of Employees as of the determination date:

- (i) The present value of Accrued Benefits and the amounts of Account balances of an Employee as of the determination date shall be increased by the distributions made with respect to the Employee under the Plan and any plan aggregated with the Plan under Code Section 416 (g)(2) during the 1-year period ending on the determination date. The preceding sentence shall also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Code Section 416 (g)(2)(A)(i). In the case of a distribution made for a reason other than separation from service, death, or Disability, this provision shall be applied by substituting “5-year period” for “1-year period.”
- (ii) The Accrued Benefits and Accounts of any individual who has not performed services for the Employee during the 1-year period ending on the determination date shall not be taken into account.

- (iii) For purposes of satisfying the minimum benefit requirements of Code Section 416 (c)(i) and the Plan, in determining Years of Service with the Employer, any service with the Employer shall be disregarded to the extent that such service occurs during a Plan Year when the Plan benefits (within the meaning of Section 410 (b) of the Code) no Key Employee or former Key Employee.
- (d) TOP-HEAVY PLAN: The Plan shall be a Top-Heavy Plan with respect to any Plan Year if, as of the Determination Date, the Present Value of the Cumulative Accrued Benefits under the Plan for Key Employees exceeds sixty per cent (60%) of the Present Value of the Cumulative Accrued Benefits under the Plan for all Employees. For purposes of determining whether the Plan is a Top-Heavy Plan, the following shall not be taken into account:
 - (i) Rollover contributions to the Plan initiated by an Employee and made after December 31, 1983; and
 - (ii) any accrued benefit of a Participant who is non-Key Employee with respect to the Plan for any Plan Year but who was a Key Employee with respect to the Plan for any prior Plan Year.

The Plan shall also be a Top-Heavy Plan if it is part of a Top-Heavy Group.

The Present Value of Cumulative Accrued Benefits of any Employee (or beneficiary of such Employee) who has not received any annual Earnings during the five (5) Plan Years preceding the Determination Date shall not be taken into account to determine if the Plan is a Top-Heavy Plan. In addition, all plans of a single Employer shall be aggregated to determine whether the plans, as a group, are Top-Heavy Plans and amounts contributed to a qualified plan under a salary reduction arrangement (including a cash-or-deferred arrangement) shall be taken into account.

- (e) TOP-HEAVY GROUP: An Aggregation Group in which, as of the Determination Date, the sum of:
 - (i) The Present Value of the Cumulative Accrued Benefits for Key Employees under all defined benefit plans included in the group, and
 - (ii) the aggregate of the accounts of Key Employees under all defined contribution plans included in the group exceeds sixty per cent (60%) of a similar sum determined for all Employees.
- (f) AGGREGATION GROUP: A group including each plan of the Synod in which a Key Employee is a Participant and any other plan of the Synod which enables any plan covering a Key Employee to meet the requirements of Code Section 401(a) (4) and Code Section 410 with such plan being taken into account.
- (g) DETERMINATION DATE: With respect to any Plan Year:
 - (i) The last day of the preceding Plan Year, or
 - (ii) in the case of the first Plan Year of any Plan, the last day of such Plan Year; or
 - (iii) to the extent provided in applicable Treasury regulations, any year specified in lieu of Plan Years.

The valuation date applicable to the Determination Date shall be the same date as the Determination Date.

- (2) APPLICATION: Unless Church Plans are otherwise exempted from the requirements of Code Section 416 and regulation thereunder, for any Plan Year beginning after December 31, 1983, in which the Plan shall be determined to be a Top-Heavy Plan, the Plan shall meet the additional requirements of subsections (3) through (6) and, except in such event, said provisions are specifically inapplicable to the Plan. Also, in the event that Church Plans are exempted from the requirements of Code Section 416 and regulations thereunder, this entire Article XII shall become null and void.

- (3) **ADDITIONAL VESTING REQUIREMENTS:** As applicable, an Employees' right to his accrued benefit derived from non-Employee contributions shall become a non-forfeitable interest in accordance with the following table:

<u>Years of Service</u>	<u>Non-forfeitable Percentage</u>
2	20%
3	40%
4	60%
5	80%
6	100%

For purposes of determining Years of Service under this Article, the rules of Code Section 416 shall apply. Years of Service shall include those years when the Plan is not a Top-Heavy Plan.

When the Plan ceases to be a Top-Heavy Plan, any portion of the accrued benefit of any Participant that was nonforfeitable before the Plan ceased to be a Top-Heavy Plan shall remain nonforfeitable. In addition, any Employee with five or more Years of Service shall be given the option of remaining under the Top-Heavy Plan's vesting schedule.

- (4) **ADDITIONAL MINIMUM BENEFIT REQUIREMENTS:** As applicable, the accrued benefit derived from non-Employee contributions of each Participant who is a non-Key Employee, when expressed as an Annual Retirement Benefit, shall not be less than the Applicable Percentage of the Participant's Average Earnings for Years in the Testing Period.

For purposes of this subsection (4) only, the following words shall have the following meanings:

- (a) **ANNUAL RETIREMENT BENEFIT:** A benefit payable annually in the form of a single life annuity with no ancillary benefits beginning at the normal retirement age under the Plan.
 - (b) **APPLICABLE PERCENTAGE:** The lesser of:
 - (i) Twenty per cent (20%); or
 - (ii) two per cent (2%) multiplied by the number of Years of Service with the Synod. For purposes of this definition only, the term "Years of Service" shall not include a year of service with the Synod if the Plan was not a Top-Heavy Plan for any Plan Year ending during such year of service, or if such year of service was completed in a Plan Year beginning before January 1, 1984.
 - (c) **YEARS IN THE TESTING PERIOD:** The Participant's Testing Period shall be the period of consecutive years (not exceeding five) during which the Participant had the greatest aggregate Earnings from the Synod. The Years in the Testing Period shall not include any year which ends in a Plan Year beginning before January 1, 1984 or which begins after the close of the last year in which the Plan was a Top-Heavy Plan.
- (5) **ADDITIONAL LIMITATION ON EARNINGS REQUIREMENT:** As applicable, only the first \$200,000 of an Employee's Earnings shall be included in determining benefits under the Plan. Such \$200,000 limitation shall be adjusted annually for increases in the cost of living in accordance with the same rules used to adjust the overall limitation on benefits described in Article V of the Plan.
- (6) **ADDITIONAL REQUIREMENT FOR DISTRIBUTIONS TO KEY EMPLOYEES:** As applicable, the entire interest of each Key Employee under the Plan shall be distributed to him either not later than the taxable year in which he attains age 70 1/2 or, in accordance with applicable Treasury regulations, over the life of such Employee or the lives of such Employee and his Spouse, or over a period not extending beyond the life expectancy of such Employee or the life expectancies of such Employee and his Spouse.

—END—

This is to certify that the General Synod of the Associate Reformed Presbyterian Church has adopted this “Associate Reformed Presbyterian Retirement Plan, Adopted September 1, 1961, As Amended and Restated Effective December 31, 2001” on June 12, 2002; that Amendment Number One to the restated Plan was adopted by the General Synod June 11, 2003; that Amendment Number Two to the restated Plan was adopted by the Retirement Committee of the Board of Benefits November 7, 2003; that Amendment Number Three to the restated Plan was adopted by the General Synod June 9, 2004; that Amendment Number Four to the restated Plan was adopted by the General Synod June 9, 2005; that Amendment Number Five to the restated Plan was adopted by the General Synod June 8, 2006; and that this “Associate Reformed Presbyterian Retirement Plan, Adopted September 1, 1961, As Amended and Restated Effective December 31, 2001 has been reprinted to include Amendments One, Two, Three, Four, and Five.

Executed on behalf of the Retirement Committee, Board of Benefits, the General Synod of the Associate Reformed Presbyterian Church, on this 13th day of June 2006.

A handwritten signature in cursive script that reads "Ed Hogan". A vertical red line is drawn to the right of the signature.

ATTEST: Frank E. Hogan, Secretary
Board of Benefits
General Synod, Associate Reformed Presbyterian Church