



# Pension Plan for Iglesia Episcopal Puertorriqueña

## At-A-Glance

Updated January 1, 2023

### What is the pension plan for Iglesia Episcopal Puertorriqueña?

The pension plan for Iglesia Episcopal Puertorriqueña (IEP Plan) is a nonqualified pension plan designed to provide eligible lay employees of La Iglesia Episcopal Puertorriqueña (IEP) with a dependable source of income in retirement. The IEP Plan is an individual pension arrangement sponsored by IEP with administrative support from The Church Pension Fund (CPF).

### Eligibility

If you are employed as a full-time lay employee working within IEP, you are eligible to participate in the IEP Plan. A full-time employee is someone working 37.5 hours or more per week. If you work part-time (less than 37.5 hours per week), you are not eligible for the IEP Plan.

### Participation

If you are eligible, your employer must enroll you in the IEP Plan. In order for you to participate, your employer also must pay assessments on your behalf.

### Vesting

Vesting means you are entitled to receive a pension benefit from the IEP Plan upon your retirement. You become vested after earning five years of Credited Service.

### When can you begin receiving your vested pension benefits?

Early Retirement	At or after age 60
Normal Retirement	At or after age 65

### Benefits Are Calculated Using Various Factors

#### Credited Service

The period of years and months that your employer or diocese has paid full Assessments on your Total Assessable Compensation.

#### Highest Average Compensation

If you earn Credited Service on or after January 1, 2018, your Highest Average Compensation is generally the average of the seven highest-paid, non-overlapping, 12-month periods during which you earned Credited Service over your entire career.

#### Total Assessable Compensation

The basis for the amount your employer pays in Assessments to CPF. Your employer or diocese must pay 18% of your Total Assessable Compensation, which is the sum of the following annualized amounts: cash salary (includes wages paid, bonuses, fees, one-time cash payments, severance and any salary reduction arrangements used to fund a tax-favored benefit).

## How is your pension benefit calculated?

If you retire at or after the normal retirement age of 65, you will receive a normal retirement benefit as calculated below.

Highest Average Compensation x Credited Service x 1.5%

Plus (if you are Active immediately prior to retirement)

Highest Average Compensation (up to \$10,000) x Credited Service x 0.25%

### = Your Total Annual Normal Retirement Benefit

If you retire before age 65, your annual pension benefit is subject to an early retirement reduction. This reduction will generally be equal to 5% for each year (approximately 0.4167% per month) your early retirement date is short of age 65.<sup>1</sup>

## Pension Payment Options

### Zero Option:

With the single life or zero option, you will receive an enhanced monthly pension benefit for your lifetime. However, following your death, no survivor benefit will be paid.

### 50%, 75%, or 100% Joint and Survivor Options:

These options provide an actuarially reduced benefit over your lifetime. Benefits are reduced because they will be paid beyond your lifetime. (If you have an eligible spouse, however, the cost of the 50% survivor option is fully subsidized by the IEP Plan.) In the event of your death, your beneficiary will receive a benefit equal to the percentage that you elected for his or her lifetime (that is, 50%, 75%, or 100%).

### 15-Year Certain and Life Option:

Under this option, you will receive a monthly pension benefit for your lifetime.

If you die after receiving payments for 15 years, there will be no further benefits payable after your death. However, if you die before receiving payments for 15 years, then your beneficiary will receive a monthly benefit for the remainder of the 15-year period.

## Discretionary Cost-of-Living Adjustment (COLA)

IEP determines whether to grant a discretionary COLA to retirees and beneficiaries in the IEP Plan.

## Other Benefits (eligibility requirements apply)

You, your eligible spouse, eligible children, or other eligible designated beneficiaries may also receive

- Christmas Benefit
- Death Benefits
- Disability Benefits

## Questions?

Please call a Client Services representative at +1 (866) 802-6333, Monday to Friday, 8:30AM to 8:00PM ET. Please let us know if you need an interpreter, and we can make one available to assist you with your call.

<sup>1</sup>If you were age 55 or older and an active member in the IEP Plan (or an inactive member with a vested benefit) as of December 31, 2017, your benefit will be reduced by 2.4% per year (or 0.2% per month) that your early retirement date is short of age 65.

Please note that this document is only a high-level summary of the IEP Plan and eligibility requirements and other conditions may apply to the benefits described herein. This material is provided for informational purposes only and should not be viewed as investment, tax or other advice. It does not constitute a contract or an offer for any products or services. In the event of a conflict between this material and the official plan documents or insurance policies, the official plan documents or insurance policies will govern. IEP retains the right to amend, terminate, or modify the terms of any benefit plan described in this material, subject to the approval of CPF, at any time, for any reason, and, unless otherwise required by law, without notice. In case of a conflict between the English version of this material and any of the Spanish versions, the English version will govern.