

UNIVERSAL FELLOWSHIP OF METROPOLITAN

COMMUNITY CHURCHES DEFINED

BENEFIT PLAN AND TRUST

(January 1, 2021 Restatement)

THIS AGREEMENT between the Universal Fellowship of Metropolitan Community Churches, as Plan Sponsor, and the Board of Pensions (USA) of the Universal Fellowship of Metropolitan Community Churches, as Trustee, amends and restates the UNIVERSAL FELLOWSHIP OF METROPOLITAN COMMUNITY CHURCHES DEFINED BENEFIT PLAN AND TRUST, originally executed March 17, 1984, to reflect changes in pension law since the Plan was established.

The Plan is intended to be a qualified defined benefit pension plan as defined in Section 401(a) of the Internal Revenue Code (the Code), and the Trust hereunder is intended to be tax-exempt under Section 501(a) of the Code. The Plan is a "church plan" as defined in Section 414(e) of the Code, and no election has been made for the purpose of waiving the Plan's exemption from the Employee Retirement Income Security Act of 1974 as amended (ERISA) and related provisions of the Code.

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ARTICLE I - DEFINITIONS

The following words and phrases as used in this Plan and Trust shall have the meanings set forth in this Article, unless a different meaning is clearly required by the context:

I.01 Accrued Benefit. That portion of a Clergy person's Normal Retirement Benefit under Section 4.01 which he/she has earned as of any given date; provided that:

(a) No Clergy person's Accrued Benefit shall, at any time, be less than his/her Accrued Benefit as of December 31, 2016 under the provisions of the Plan as in effect on such date.

(b) A Clergy person's Employee-Provided Accrued Benefit on any given date is his or her Employee-Provided Benefit under Section 9.01 as of such date.

(c) A Clergy person's Employer-Provided Accrued Benefit on any given date is the excess, if any, of his/her Accrued Benefit over his/her Employee-Provided Accrued Benefit on such date.

(d) For purposes of the Plan, Years of Service for Participation as to which a Clergy person has received a cash-out distribution under Section 10.08 shall be disregarded unless such distribution has been repaid in accordance with such section.

I.02 Active Parish Ministry. A Clergy person shall be considered to be in "Active Parish Ministry" if and only when he/she is providing service (whether paid or on a volunteer basis) as a Licensed Clergy person at a church affiliated with the Plan Sponsor within the United States of America, or pursuant to an official appointment by the Universal Fellowship of Metropolitan Community Churches to serve in a local parish church (regardless of licensing or ordination status), or as Licensed denomination staff. However, the following types of service shall not constitute "Active Parish Ministry" for purposes of the Plan: service as a chaplain, service in another denomination, and service in a non-local-church-ministry.

I.03 Age. For purposes of this Plan, a Clergy person's Age shall be the Age attained on the most recent previous birthday. The Age shall remain unchanged until the next birthday.

I.04 Beneficiary. Any individual or legal entity designated by a Clergy person's most recent duly signed Beneficiary Designation on record with the Board to receive any death benefit arising under this Plan and Trust upon the death of such Clergy person.

I.05 Board. The Board of Pensions (USA) of the Universal Fellowship of Metropolitan Community Churches.

I.06 Clergy person. Any person who is ordained by the Plan Sponsor as a clergy person.

I.07 Disability. A Clergy person incurs a Disability when, while a Participant, he/she becomes 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

long, continued and indefinite duration. While the Board may use Social Security Administration conclusions as guidelines, all determinations as to Disability are made solely by the Board, whose decision is final and binding on all persons.

I.08 Effective Date. This amended and restated Plan and Trust is effective as of January 1, 2021. The original effective date of the Plan was January 1, 1984.

I.09 Employee-Provided Benefit. See Section 9.01.

I.10 ERISA. The Employee Retirement Income Security Act of 1974 as amended from time to time. This Plan is a "church plan" exempt from ERISA coverage.

I.11 Fiduciary. Any person who exercises any discretionary authority or discretionary control with respect to the management or disposition of Plan assets, renders any investment advice for a fee or other compensation or exercises any discretionary authority or responsibility for Plan administration. For purposes of this Plan, the Board is expressly authorized to perform any of the aforementioned functions and shall be the Plan Fiduciary.

I.12 Leased Employee. 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 Section 414(n)(6) of the Code) 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. A Leased Employee shall not be considered an employee of the recipient if: (i) such Leased Employee is covered by a money purchase pension plan described in Code Section 414(n)(5)(B) and (ii) Leased Employees do not constitute more than 20 percent of the recipient's nonhighly compensated workforce. Leased Employees do not participate in the Plan.

I.13 Licensed. Licensed under a license to practice issued by the Plan Sponsor to the Clergy person. For all purposes of the Plan, an individual shall be treated as Licensed for the entire Plan Year if the Plan Sponsor treats such individual as Licensed on at least one day during such Plan Year (even if such individual has not paid all dues/fees required for such period or if Plan Sponsor for any reason retroactively reinstates such individual's status as Licensed for such period).

I.14 Normal Retirement Age / Date. The date when the Clergy person has attained age sixty-five (65) or ten Years of Service for Participation in the Plan, whichever is later. As described in Section 4.03, a Clergy person may continue in Licensed Active Parish Ministry beyond Normal Retirement Age / Date and shall continue to accrue Years of Service during such continued service.

I.15 Participant. Any Clergy person who has met (and continues to meet) the requirements in Section 2.01 and has complied with Section 11.09.

I.16 Plan Sponsor. Universal Fellowship of Metropolitan Community Churches or any successor business organization which shall assume the obligations of this Plan and Trust.

I.17 Plan Year. The calendar year.

I.18 Spouse. A person who is legally married to another person.

I.19 Stability Period. For the purpose of the Actuarial Assumptions for Lump Sum Payments in Section 3.02, the Stability Period shall be the calendar year. For the purpose of determining the Age of a Clergy person, the Stability Period shall be the one-year period from a birthday to the next birthday.

I.20 Trust Fund. The aggregate of the assets held by the Trustees under the Plan.

I.21 Trustee. The Board or a separate trustee as authorized in Section 14.02.

I.22 Year of Service for Participation.

(a) A "Year of Service for Participation" shall mean a Plan Year during which a Clergy person is both Licensed and employed in Active Parish Ministry for at least 520 hours. For a Clergy person's first "Year of Service for Participation," the Clergy person receives a full "Year of Service for Participation" for the calendar year in which he/she first is both Licensed and in Active Parish Ministry regardless of hours served.

(b) Notwithstanding the foregoing:

(i) in the case of a Clergy person who would have become a Participant prior to January 1, 2012 but for his/her failure to enroll to make Mandatory Clergy person Contributions (as such term was defined in the Plan at such time), and who first became a Participant on January 1, 2012, service prior to January 1, 2012 shall not constitute Years of Service for Participation; and

(ii) Service excluded under Section 10.06 (relating to re-employment following a cash-out distribution) shall not constitute Years of Service for Participation.

(c) For periods prior to January 1, 2021, "Credited Service" (as defined in the Plan previously in existence) shall count as Years of Service for Participation for purposes of determining a Clergy person's Accrued Benefit accrued for such periods. However, effective for periods of service on and after January 1, 2021, the definition as set forth above shall apply for purposes of determining "Years of Service for Participation."

(d) In addition, effective January 1, 2021, the Senior Pastor of a church affiliated with the Plan Sponsor shall not be credited with Years of Service for Participation for any period for which such affiliated church fails to make contributions in such amounts as required by the Plan Sponsor; provided that, if such affiliated church subsequently enters into a written agreement with the Plan to make contributions, upon full satisfaction of the terms of such agreement prior to such Senior Pastor commencing distribution, such Senior Pastor shall immediately and automatically be credited with Years of Service for Participation for the period(s) to which those back-due contributions relate.

I.23 Year of Service for Vesting. A "Year of Service for Vesting" shall mean a Plan Year during which a Clergy person is both Licensed and employed in Active Parish Ministry for at least 520 hours. For a Clergy person's first "Year of Service for Vesting," the Clergy person receives a full "Year of Service for Vesting" for the calendar year in which he/she first is both Licensed and in Active Parish Ministry regardless of hours served. Notwithstanding the foregoing in the case of a Clergy person who would have become a Participant prior to January 1, 2012 but for his/her failure to enroll to make Mandatory Clergy person Contributions (as such term was defined in the Plan at such time), and who first became a Participant on January 1, 2012, service prior to January 1, 2012 shall not constitute Years of Service for Vesting.

ARTICLE II - ELIGIBILITY

II.01 Commencement of Participation. Except as provided in Section 2.01(c) below, a Clergy person's participation in the Plan shall commence on the following date:

- (a) A Clergy person who was a Participant in the prior Plan Year shall continue to be a participant in the current Plan Year.
- (b) A Clergy person who was not a Participant on December 31 of the prior Plan Year but has completed four Years of Service for Participation before the first day of the current Plan Year shall become a Participant the first day of the current Plan Year.

II.02 Mandatory Clergy person Contributions. Effective January 1, 2012, no further mandatory Clergy person contributions are required. No contributions of any kind by Participants are permitted.

II.03 Reinstatement of Eligibility after Termination. A Clergy person's participation for purposes of earning Years of Service for Participation and Vesting shall re-commence as of resumption of Active Parish Ministry.

II.04 Information Furnished by Plan Sponsor. The Plan Sponsor shall furnish the Board with such information as will aid the Board in the administration of this Plan and Trust. Such information shall include all data pertinent to determining a Clergy person's initial, as well as subsequent, eligibility to participate in this Plan.

ARTICLE III - ACTUARIAL ASSUMPTIONS

III.01 In General. The actuarial assumptions used in calculating the actuarial equivalents on normal retirement benefits under this Plan and Trust, except as provided in Section 3.02, and determining the funding of the Plan and Trust shall be the following:

- Pre-Retirement: Interest - 6 1/2% per annum
Mortality - None Assumed
- Post-Retirement: Interest - 6 1/2% per annum
Mortality - 1971 Individual Annuity
Mortality table (female) with 1 year set
back for both sexes

III.02 Actuarial Assumptions for Lump Sum Payments. For purposes of calculating (1) the application of Section 4.09, pertaining to small payments, (2) the amount of a lump sum benefit payable under Section 4.06(a), or (3) a Clergy person's Employee-Provided Benefit under Section 9.01(a) the interest rate and mortality table shall be as set forth in Section 3.01, except that the following interest rate and mortality table shall be used if so doing would provide a larger benefit:

(a) the "applicable interest rate" under Section 417(e)(3)(C) and (D) of the Code shall be based on a Stability Period equal to the calendar year and a Lookback Month equal to the second month preceding the beginning of the Plan Year which includes the date of the distribution, and

(b) the "applicable mortality table" as defined in Section 417(e)(3)(B) of the Code.

ARTICLE IV - RETIREMENT BENEFITS

IV.01 Normal Retirement Benefit. The benefit of a Clergy person shall be determined under (a) or (b) below, depending on when the Clergy person became a Participant:

(a) Clergy persons who become Participants on or after January 1, 2012. The normal pension benefit payable to a Clergy person who becomes a Participant on or after January 1, 2012 who retires on his or her Normal Retirement Date, determined in the form of an annuity for his or her life, shall be \$6.00 per month for each Year of Service for Participation credited to such Clergy person.

(b) Clergy persons who became Participants before January 1, 2012. The normal pension benefit payable to a Clergy person who became a Participant before January 1, 2012, who retires on his or her Normal Retirement Date, determined in the form of an annuity for his or her life shall be the greater of (i) or (ii), where:

(i) equals a benefit of \$130 per month, multiplied by the ratio of (I) over (II), where (I) is the Clergy person's Years of Service for Participation on the date of the determination and (II) is the total Years of Service for Participation the Clergy person would have had if his/her participation in the Plan had continued until Normal Retirement Age;

(ii) equals a benefit of \$6.00 per month for each year of Years of Service for Participation credited to the Clergy person.

Such benefit shall be payable in one of the forms set forth in Section 4.06.

IV.02 Early Retirement Benefit. If a Participant shall cease to be a Clergy person in Active Parish Ministry prior to his or her Normal Retirement Date, pension payments shall commence at or after his/her 55th birthday, if and when the Clergy person shall irrevocably elect. Such benefit shall be calculated as a single life annuity benefit equal to the actuarial present value (determined under Article III) of the Clergy person's vested Accrued Benefit. Such benefit shall be payable in one of the forms set forth in Section 4.06.

IV.03 Late Retirement. If the Licensed Active Parish Ministry of a Clergy person who is a Participant continues beyond his/her Normal Retirement Date, the Clergy person will commence receiving benefits on his/her actual retirement date. In such event, the benefit payable at the Clergy person's actual retirement date shall be equal to the Normal Retirement Benefit set forth in Section 4.01, actuarially increased (under Article III) to reflect the actual retirement date. For purposes of clarity, a Clergy person shall continue to accrue Years of Service for Participation beyond his/her Normal Retirement Date so long as he/she remains Licensed and in Active Parish Ministry.

IV.04 Disability Retirement. See Article VI.

IV.05 Commencement of Benefits. Subject to applicable consent and required minimum distribution requirements, the Board shall direct the Trustee to make payment of any benefit provided under this Article as soon as administratively feasible following the event giving rise to such benefit.

IV.06 Manner of Distribution. Except as provided above, the actuarial equivalent of any benefit shall be distributed by the Trustee in such of the following forms as the Clergy person elects:

- (a) by lump sum cash payment to the Clergy person; or
- (b) by substantially equal monthly or annual installments payable over a period certain not in excess of that specified in Section 4.08; or
- (c) by applying all or any part of the distributive share of the Clergy person to the purchase of a single payment immediate or deferred nontransferable fixed annuity contract, to provide for periodic payments to the Clergy person and transferring such contract to him/her.

IV.07 Consent of Clergy person and Spouse. Except as provided in Sections 4.09 and 4.11, written consent by a Clergy person and, if applicable, his/her Spouse to a form of distribution shall be obtained not more than ninety (90) days before the commencement of the distribution of any part of an Accrued Benefit. Any election with respect to the form in which benefits shall be received may be revoked in writing during the period after such election is made and before payment of benefits begins, and thereafter a new election may be made.

IV.08 Distribution Period. In no event shall any method of distribution be payable over a period certain longer than the life expectancy of the Clergy person, limited further for both the Clergy person and any beneficiary(ies) as determined consistent with Section 401(a)(9) of the Code and regulations thereunder.

IV.09 Small Payments. Solely with respect to individuals who first became Participants on or after January 1, 2012, if, following the latest of the cessation of such Clergy person's Active Parish Ministry, cessation of his/her Licensing, and attainment of age 65, the present value of the Clergy person's nonforfeitable Accrued Benefit attributable to Plan Sponsor contributions is less than \$20,000, his/her entire vested Accrued Benefit (including any portion attributable to

Employee-Provided Benefits) shall be paid in a lump sum as soon as administratively feasible without the consent of the Clergy person.

IV.10 Direct Rollover.

(i) *In General.* The Clergy person (or, in a proper case, the surviving Spouse or an alternate payee receiving a distribution under a domestic relations order treated as qualified under Section 15.06) may elect, as prescribed by the Board in accordance with Section 401(a)(31) of the Code and regulations thereunder, to have any portion of a distribution which is not (i) paid in the form of an annuity or substantially equal payments over a specified period of ten years or more or (ii) a required minimum distribution under Section 4.11 paid directly to any of the following as specified by the distributee in a direct rollover:

- (1) An individual retirement account under Section 408(a) of the Code or an individual retirement annuity under Section 408(b) of the Code, including a Roth IRA under Section 408A of the Code;
- (2) A qualified plan under Section 401(a) of the Code or an annuity plan under Section 403(a) of the Code;
- (3) An annuity contract under Section 403(b) of the Code; or
- (4) An eligible deferred compensation plan under Section 457(b) of the Code which is maintained by an eligible employer under Section 457(e)(1)(A) of the Code.

(b) Direct Rollover by Nonspouse Beneficiary. Notwithstanding the preceding provisions of this Section:

- (1) A trustee-to-trustee transfer of all or any portion of a benefit from the Plan on behalf of a nonspouse beneficiary which would, in the case of a Surviving Spouse, be eligible for direct rollover under this Section shall be treated as a direct rollover under Code Section 402(c)(11) and published IRS rulings of general application thereunder, provided that it is transferred to an individual retirement account described in Section 408(a) of the Code or an individual retirement annuity described in Section 408(b) of the Code, including a Roth IRA under Section 408A of the Code.
- (2) For purposes of paragraph (1), "nonspouse beneficiary" means an individual who is a designated beneficiary of a Clergy person for purposes of Section 401(a)(9) of the Code and who is not the surviving Spouse of the Clergy person.

IV.11 Required Commencement of Benefits. Benefits under this Article shall commence no later than April 1 of the year following the calendar year in which the Clergy person attains age 70-1/2 (age 72, for individuals who reach age 70-1/2 after December

31, 2019) or retires, if later. Notwithstanding the foregoing distributions to 5% owners must commence no later than the April 1 following the calendar year in which the participant attains Age 70-1/2 (age 72, for individuals who reach age 70-1/2 after December 31, 2019). All distributions required under this Article shall be determined and made in accordance with Appendix C to the Plan.

ARTICLE V - DEATH BENEFITS

V.01 Designation of Beneficiary. Each Clergy person shall be given the opportunity, at the time his/her participation in the Plan begins, to designate his/her Beneficiary. The Clergy person may, from time to time, file with the Board a new or revised designation, on a form provided by or acceptable to the Board. In the event any Clergy person is married, no designation of a Beneficiary other than his/her Spouse shall be valid unless consent, in writing, by such Spouse to the designation of such nonspouse Beneficiary shall be furnished to the Trustee.

V.02 Default Beneficiary. If there is no surviving designated Beneficiary at the date of the Clergy person's death, any benefit payable under Section 5.01 shall be paid by the Trustee to the Spouse (if he/she survives the Clergy person); otherwise, to the estate of the deceased.

V.03 Amount of Death Benefit. The death benefit for any Clergy person under this Plan and Trust shall be the greater of--

- (a) the actuarially computed value of the Clergy person's vested Accrued Benefit as of the date of death, or
- (b) the value of the Clergy person's Contribution Account, as determined under Section 9.01, as of the date of distribution.

V.04 Form of Payment of Death Benefits.

- (a) The Beneficiary shall select a form of payment in accordance with the options set forth Section 4.06(a) or (b) as modified by Section 5.06.
- (b) Notwithstanding subsection (a), the small payment provision of Section 4.09 shall apply to death benefits under the Plan.

V.05 Distribution Period for Death Benefits. Upon the death of a Clergy person before payment of retirement benefits to such Clergy person has begun, the Clergy person's interest or remaining undistributed balance shall be fully distributed to his or her Beneficiary within five (5) years of death unless:

- (a) the Beneficiary is a "designated beneficiary" as defined in Section 6.1 of Appendix C, and
- (b) the Beneficiary elects under Section 5.1 of Appendix C to receive such benefits in installments over his or her life expectancy, commencing no later than the last day of the calendar year following the calendar year in which the Clergy person's death occurs.

Timing of payment of death benefits shall conform to Appendix C to the Plan.

This Section 5.06 is effective as of January 1, 2011.

V.06 Survivor and Death Benefits under HEART Act. In the case of a Clergy person who is a Participant and who dies while performing qualified military service, the surviving Spouse or other Beneficiary of the Clergy person is entitled to any additional benefits (other than benefit accruals related to the period of qualified military service) that would have been provided under the Plan had the Clergy person returned to active status and then ceased to be a Licensed Clergy person on account of death.

(a) For purposes of subsection (a), qualified military service means any service in the uniformed services of the United States as defined in chapter 43 of title 38, United States Code, by a Clergy person if such Clergy person is entitled to reemployment rights with the Plan Sponsor under such chapter with respect to such service.

ARTICLE VI - DISABILITY BENEFITS

VI.01 Disability Retirement. If a Clergy person incurs a Disability while a Participant, he/she may begin receiving benefits from the Plan, which shall be computed in the same manner as early retirement under Section 4.02 (except that the Clergy person need not have attained age 55 at the time of commencement). Forms of benefit shall be as provided in Section 4.06, and the small payment provision of Section 4.09 shall apply.

ARTICLE VII - LIMITATIONS ON BENEFITS

VII.01 Benefit Limitation. Benefits of any Clergy person under this Plan shall not exceed the amount determined under Appendix A to this Plan and Trust, which is incorporated herein by this reference.

ARTICLE VIII - EMPLOYER CONTRIBUTIONS

VIII.01 Method of Funding. Benefits provided by this Plan and Trust shall be funded in accordance with the provisions of this Article.

VIII.02 Plan Sponsor's Contributions. The Plan Sponsor shall contribute to the Plan such amounts, at such times, as it shall determine. The contributions shall be determined using an accepted actuarial method.

VIII.03 Contributions Other Than Plan Sponsor Contributions. The Plan and Trust may accept any contribution or donation or other object of value from any individual, individuals, or entity as a gift or donation to the Plan and Trust. The value of such amount shall be treated as income to the Trust and shall be utilized in the actuarial valuation on the basis of being income.

ARTICLE IX - EMPLOYEE-PROVIDED BENEFITS

IX.01 Employee-Provided Benefit. A Clergy person's "Employee-Provided Benefit" shall be his/her Clergy person Contribution Account Balance determined under Section 9.02, converted to a single life annuity under the actuarial assumptions set forth in Section 3.02.

IX.02 Clergy person Contribution Account. The Clergy person Contribution Account Balance of a Clergy person as of any date shall be equal to the sum of (1) such Clergy person's mandatory contributions for the Plan made to such date in the current Plan Year (subject to the discontinuance of mandatory contributions in Section 2.03), plus (2) the balance of such Account as of the first day of the Plan Year in which such date occurs, which is calculated by

- (a) First, finding the sum of
 - (i) His/her Clergy person Contribution Account Balance on the first day of the preceding Plan Year, plus
 - (ii) His/her Mandatory Clergy person Contributions during such preceding Plan Year; and
- (b) Second, multiplying the sum found in a by the sum of
 - (i) 1.00, plus
 - (ii) The applicable rate of interest for such preceding Plan Year. For years beginning before January 1, 1988, the interest rate is 5%. For years beginning on or after January 1, 1988, the interest rate is 120 percent of the Federal mid-term rate as in effect under Section 1274 of the Code for the first month of such plan year.

IX.03 Withdrawal and Repayment of Clergy person Contribution Account.

(a) Whenever a Clergy person, who is not vested in his/her benefit attributable to Plan Sponsor contributions, withdraws his/her Clergy person Contribution Account, his/her benefit attributable to Plan Sponsor contributions shall be forfeited. However, if the Clergy person is vested in the benefit attributable to Plan Sponsor contributions, no forfeiture shall occur, even in the case of such a withdrawal.

(b) If a Clergy person withdraws his/her Clergy person Contribution Account, he/she must be permitted to repay the amount he/she received with interest calculated at the rate(s) set forth in Section 9.02(b)(ii).

ARTICLE X - TERMINATION OF LICENSING AND STATUS OF VESTED RIGHTS

X.01 Rights Upon Termination of Licensing. If a Clergy person who is a Participant shall cease to be a Licensed Clergy person other than by death, disability, or retirement, the rights of such Participant, with respect to the Accrued Benefits attributable to Plan Sponsor contributions, shall be governed by the following provisions of this Article, and such rights shall be in lieu of all other benefits otherwise available under the Trust, subject to Article XII of this document.

X.02 Benefits Upon Termination of Licensing or Active Parish Ministry. As of the earlier of: the date a Participant either ceases to be a Licensed Clergy person or the date he/she ceases Active Parish Ministry, his/her vested rights with respect to Accrued Benefits attributable to Plan Sponsor contributions shall be determined as follows:

<u>Years of Service for Vesting</u>	<u>% Vested</u>
Less than 10	0
10 or more	100

Subject to Section 1.05(c), all of the Clergy person's Years of Service for Vesting are to be used in determining the Clergy person's place on the vesting schedule.

X.03 Vesting on Retirement. Each person who has reached his/her Normal Retirement Date while a Licensed Clergy person and a Participant in Active Parish Ministry, shall be fully vested in the normal pension accrued to him/her under Article IV.

X.04 Vesting on Disability or Death. In the event a Licensed Clergy person dies while in Active Parish Ministry, or incurs a Disability while in Active Parish Ministry, he/she shall be 100 percent vested in the actuarially computed value of the Accrued Benefit as of the date of Disability or death.

X.05 Vesting in Employee-Provided Benefit. A Clergy person is at all times 100% vested in his/her Employee-Provided Benefit.

X.06 Cash-Out Options. For the purpose of determining a Clergy person's Accrued Benefit, the Plan shall disregard Years of Service for Participation performed by such Clergy person with respect to which he/she has received a distribution ("cash-out") of the present value of his/her entire nonforfeitable vested benefit, provided that such distribution is made on termination of his/her participation in the Plan.

(a) Under no circumstances shall there be a duplication of benefits upon reentry into the Plan.

ARTICLE XI - ADMINISTRATION

XI.01 The Board. Responsibility for investment and administrative decisions with respect to the Plan and the Trust Fund hereunder shall be vested in the Board. The Board shall have the sole responsibility for the administration of the Plan and Trust and management of the assets held under the Trust. The Board shall consist of such numbers of laypersons and Clergy persons as the Governing Board may in its discretion determine (but no more than eighteen (18) members). Each member of the Board shall serve until the earliest of the following: he/she is removed by a vote of 2/3 majority of the remaining Board members; he/she is no longer eligible to serve because he/she has completed four 4-year terms on the Board; or he/she resigns by written instrument addressed to the Governing Board and General Conference. While a vacancy exists, the remaining member(s) of the Board may perform any act which the

Board is authorized to perform. Notwithstanding the foregoing, in the event of bankruptcy, insolvency or dissolution of the Plan Sponsor, the members of the Board shall continue to serve unless and until the Plan is terminated and all distributions required under the Plan have been made. In such circumstances, in the event any member of the Board resigns, or is voted off the Board by a 2/3 majority of the remaining Board members, such remaining members shall appoint a new member of the Board by majority vote.

XI.02 Expenses of Administration. All usual and reasonable expenses to administer this Plan and Trust shall be paid out of the Trust Fund.

XI.03 Benefit Claims Procedure.

(a) *Applications* - All applications for benefits under the Plan shall be submitted to the Board or its designee. Applications for benefits must be in writing on the forms prescribed by the Board and must be signed by the Clergy person, or in the case of a death benefit, by the Beneficiary or legal representative of the deceased Clergy person. The Board reserves the right to require the Clergy person to furnish proof of his/her age prior to processing any application. Each application shall be acted upon and approved or disapproved within sixty (60) days following its receipt by the Board. In the event any application for benefits is denied, in whole or in part, the Board shall notify the applicant in writing of such denial and of his/her right to a review by the Board and shall be set forth in a manner calculated to be understood by the applicant, specific reasons for such denial, specific references to pertinent Plan provisions on which the denial is based, a description of any additional material or information necessary for the applicant to complete his/her application, an explanation of why such material is necessary, and an explanation of the Plan's review procedure.

(b) *Review of Denials* - Any person, or his/her duly authorized representative, whose application for benefits is denied in whole, or in part, may appeal from such denial to the Board for a review of the decision, by submitting to the Board, within 120 days after receiving written notice from the Board of the denial of his/her claim, a written statement (1) requesting a review of his/her application for benefits by the Board; (2) setting forth all of the grounds upon which his/her request for review is based and any supporting facts thereof; and (3) setting forth any issues or comments the applicant deems pertinent to his/her application. The Board shall act upon each appeal within sixty (60) days after receipt of the applicant's request for review by the Board. The Board shall make a full and fair review of each appeal, and any written material submitted by the applicant or the Plan Sponsor in connection therewith, and may require the Plan Sponsor or the applicant to submit such additional facts, documents, or other evidence as the Board, in its sole discretion, deems necessary or advisable in making such a review. On the basis of its review, the Board shall make an independent determination of the applicant's eligibility for benefits under the Plan. The decision of the Board on any appeal shall be final and conclusive upon all persons if supported by substantial evidence in the records. In the event the Board denies an appeal, in whole, or in part, the Plan Sponsor shall give notice of the Board's decision to the applicant setting forth in a manner calculated to be understood by the applicant, the specific reasons for such denial and

specific references to the pertinent Plan provisions on which the Board decision was based.

XI.04 Records and Reports. The Board shall exercise such authority and responsibility as it deems appropriate in order to comply with applicable governmental regulations relating to records of Clergypersons, service, Accrued Benefits and the percentage of such benefits which are non-forfeitable under the Plan and notifications to Clergypersons.

XI.05 Other Board Powers and Duties. The Board shall have such duties and powers as may be necessary to discharge its duties hereunder, including, but not by way of limitation, the following discretionary authority:

- (a) to construe and interpret the Plan, decide all questions of eligibility and determine the amount, manner and time of payment of any benefits hereunder;
- (b) to prescribe procedures to be followed by Clergypersons or Beneficiaries filing applications for benefits;
- (c) to prepare and distribute, in such manner as the Board determines to be appropriate, information explaining the Plan;
- (d) to receive from the Plan Sponsor and from Clergypersons such information as shall be necessary for the proper administration of the Plan;
- (e) to furnish the Plan Sponsor, upon request, such annual reports with respect to the administration of the Plan as are reasonable and appropriate;
- (f) to receive and review the periodic valuation of the Plan made by the Actuary;
- (g) to receive, review and keep on file (as it deems convenient or proper) reports of the financial condition, and of the receipts and disbursements, of the Trust Fund;
- (h) to appoint or employ individuals to assist in the administration of the Plan and any other agents it deems advisable, including legal and actuarial counsel, as well as a Plan Consultant.

The Board shall have no power to add to, subtract from or modify any of the terms of the Plan, or to change or add to any benefits provided by the Plan, or to waive or fail to apply any requirement of eligibility for a pension under the Plan, except as may otherwise be specifically provided herein.

XI.06 Rules and Decisions. The Board may adopt such rules and actuarial tables, consistent with the terms of the Plan, as it deems necessary, desirable, or appropriate. All rules and decisions of the Board shall be uniformly and consistently applied to all Clergypersons in similar circumstances. When making a determination or calculation, the Board shall be entitled

to rely upon information furnished by a Clergy person or Beneficiary, the Plan Sponsor, the legal counsel for the Plan Sponsor, the Actuary, or the Plan Consultant.

XI.07 Board Procedures. The Board may act at a meeting or in writing without a meeting. The Board shall elect one of its members as President and appoint a recording secretary, who may or may not be a Board member. The secretary shall keep a record of all meetings and forward all necessary communications to the Plan Sponsor, the Actuary, or the Plan Consultant. The Board may adopt such bylaws and regulations as it deems desirable for the conduct of its affairs. All decisions of the Board shall be made by the vote of the majority, including actions in writing taken without a meeting. A dissenting Board member, who, within a reasonable time after he/she has knowledge of any action or failure to act by the majority, registers his/her dissent in writing delivered to the other Board members and the Plan Sponsor, shall not be responsible for any such action or failure to act. No Board member shall have personal liability for any action or failure to act unless such action or failure to act was due to gross negligence or willful misconduct.

XI.08 Authorization of Benefit Payments. The Board shall issue directions concerning all benefits which are to be paid from the Trust Fund pursuant to the provisions of the Plan, and warrants that all such directions are in accordance with this Plan.

XI.09 Participants to Provide Information. Each Participant shall execute such forms and provide such information as the Board may reasonably require.

ARTICLE XII - AMENDMENT AND TERMINATION

XII.01 Right of Plan Sponsor and Board to Amend Plan. The Plan Sponsor and Board reserve the right to amend any provisions under this Plan and Trust at any time and to any extent that they may deem advisable without the consent of any Clergy person or any Beneficiary; provided, however, that:

- (a) No amendment shall deprive any Clergy person of his/her vested interest.
- (b) If there is an amendment to Section 10.02, any Clergy person who is a Participant and has at least five (5) Years of Service for Vesting may elect to remain under the pre-amendment vesting schedule with respect to all of his/her benefits accrued both before and after the amendment.

Any amendment of this Plan and Trust by the Plan Sponsor shall be set forth in an instrument in writing and must be executed by both a duly authorized representative of the Plan Sponsor and a duly authorized representative of the Board. In no event shall the Plan be amended without the consent of a majority of the Board.

XII.02 Right of Plan Sponsor to Terminate Plan. This Plan and Trust is purely voluntary on the part of the Plan Sponsor and the Board. The Plan may be terminated or amended to reduce benefits or discontinue contributions thereto only upon the action of both the Plan Sponsor and the Board. (Neither such entity shall have power to terminate the Plan nor reduce benefits or discontinue contributions without the consent of the other entity.) In the event of bankruptcy, insolvency or dissolution of the Plan Sponsor, the authority to reduce benefits,

discontinue contributions or terminate the Plan shall rest solely with the Board as constituted from time to time.

XII.03 Merger in the event of Dissolution, Bankruptcy, or Insolvency. Upon the consent and approval of the Board, and following dissolution, bankruptcy, or insolvency of the Plan Sponsor, the Plan shall be merged with another organization. Prior to any such merger, any successor in business must agree to continue this Plan and Trust in accordance with Sections 15.09 and 15.10.

XII.04 Effect of Plan Termination. Upon termination or partial termination of this Plan and Trust or the complete discontinuance of contributions to this Plan and Trust, the Accrued Benefit of each affected Clergy person as of the date of such event shall, to the extent then funded, become fully vested and shall not thereafter be subject to forfeiture. The benefit for each Clergy person shall be distributed pursuant to Sections 4.05 and 4.07.

XII.05 Priority of Allocation of Assets. In the event this Plan and Trust is terminated at a time when all benefit liabilities are not fully funded, the assets of the Plan will be allocated according to the following priority:

- (a) Mandatory Clergy person contributions;
- (b) Benefits to Clergy persons who began receiving benefits at least three (3) years before the Plan termination (including those benefits which would have been received for at least three (3) years if the Clergy person had then retired), based on Plan provisions in effect five (5) years prior to termination;
- (c) All other benefits which would be guaranteed under section 4022(a) of ERISA if this Plan were subject to ERISA;
- (d) All other nonforfeitable benefits;
- (e) All other benefits.

If assets available for allocation are insufficient to cover all claims in a priority class, they may, with the exception of items (d) and (e), be allocated pro rata within that class. A Clergy person cannot receive a distribution from more than one priority category if the benefits are not included in more than one category.

XII.06 Excess Assets. No amount shall be reverted or returned to an employer prior to the satisfaction of all liabilities of the Plan except amounts contributed based on a good faith mistake of fact may be returned. No amendment, termination, or partial termination of this Plan, prior to the satisfaction of all liabilities with respect to Clergy persons and their Beneficiaries shall make it possible for any part of the corpus or income of the Trust to be used for or diverted to purposes other than for exclusive benefit of the Clergy persons or their Beneficiaries.

Any Plan assets remaining after satisfaction of all liabilities of the Plan shall be used to increase benefit levels in a nondiscriminatory manner (as determined in the sole discretion of the Board).

ARTICLE XIII - RESTRICTIONS ON DISTRIBUTIONS TO CERTAIN PERSONS

XIII.01 *Limitation Because of Treasury Department Requirements.* The purpose of this Article is to conform this Plan to the requirements of Section 1.401-4(c) of the Treasury Department Regulations.

XIII.02 *Plan Termination Within Ten Years, Etc.* This Section is applicable only to those Clergypersons, if any, who are among the twenty-five highest paid employees of the Plan Sponsor as of the original Effective Date of the Plan (including any such highest paid Clergypersons who are not covered under this Plan at that time but may later become covered). Notwithstanding any provision in this Plan to the contrary, the benefits provided by Plan Sponsor contributions for the above named Clergypersons whose anticipated annual retirement benefit provided by such contributions will exceed \$1,500, will be subject to the following limitations, conditions and exceptions.

(a) Such benefits will be paid in full which have been provided by Plan Sponsor contributions not exceeding the larger of the following amounts:

(1) \$20,000; or

(2) (i) the Plan Sponsor contributions which would have been applied to provide pension benefits for the Clergyperson under the Prior Plan if the Prior Plan had terminated on the Effective Date, plus

(ii) an amount equal to 20 percent of the first 50,000 of the Clergyperson's average regular annual compensation multiplied by the number of years between the Effective Date and (a) the date that this Plan terminates, or (b) if benefits become payable to a Clergyperson described in the first paragraph of this Section 13.2 within ten years after the Effective Date, the date retirement benefits of such Clergyperson first become payable (if before the date of termination of the Plan), or (c) if benefits become payable to a Clergyperson described in the first paragraph of this Section after this Plan has been in effect for ten years and if the full current costs of this Plan for the first ten years have not been met, or if the full current costs have not been met on the dates referred to in (a) or (b) above, the date of the failure to meet full costs.

(b) If (1) the Plan is terminated within ten years after the Effective Date, or (2) the benefits of any of the Clergypersons described in the first paragraph of this Section 13.2 become payable within ten years after the Effective Date, or (3) the benefits of any of the Clergypersons described in the first paragraph of this Section 13.2 become payable after this Plan has been in effect for ten years and, at the same time such benefits become payable, the full current costs for the first ten years have not been met, the benefits which any of the Clergypersons described in the first paragraph of this Section 13.2 may receive from Plan Sponsor contributions will not exceed the benefits set forth in

subsection (a) above. The limitation will cease to be effective at such time, at or after the expiration of ten years from the Effective Date, as the full current costs of this Plan for the first ten years have been met.

(c) If a Clergy person described in the first paragraph of this Section 13.02 leaves the service of the Plan Sponsor or withdraws from coverage under this Plan, the benefits which such Clergy person may receive from Plan Sponsor contributions will not at any time, within the first ten years after the Effective Date, exceed the benefits set forth in subsection (a) of this Section. If at the end of ten years after the Effective Date, the full current costs of the first ten years have not been met, the benefits such Clergy person may receive from Plan Sponsor contributions will not exceed the benefits set forth in subsection (a) of this Section until the first time that the full current costs of this Plan have been met.

(d) The aforesaid conditions will not restrict the current payment of full retirement benefits provided by this Plan for any retired Clergy person, who would otherwise be subject to these restrictions, provided:

(i) The Plan Sponsor contributions which may be used for such Clergy person to determine benefits in accordance with the restrictions in this Section 13.02, are applied to provide a level amount of benefit payment in accordance with any of the forms set forth in Section 4.06, and

(ii) the benefit thus provided is supplemented, to the extent necessary to provide the full retirement income benefits in the form of payment called for under this Plan (Section 4.06), by current payments to such Clergy person as such benefits become due, and

(iii) such supplemental payments are made at any time only if the full current costs of this Plan have been met, or the aggregate of such supplemental payments for all such Clergy persons does not exceed the aggregate Plan Sponsor contributions already made under this Plan in the current Plan Year.

(e) In the event of termination of this Plan within the period during which subsection (b) of this Section is effective, distributions and benefits to then non-retired Clergy persons, other than a Clergy person described in the first paragraph of this Section 13.02, will be allocated in accordance with Section 12.05.

ARTICLE XIV - PROVISIONS RELATING TO TRUSTEES

XIV.01 Responsibility for Administration. The authority to administer the Trust provisions of this Plan shall be in the Trustee pursuant to the terms and conditions of this Agreement. The Trustee shall receive all contributions to this Trust and shall hold, invest, manage, and control the whole or any part of the assets in accordance with the provisions of this Article XIV. The Trustee, in signing this Plan and Trust, accepts and agrees to carry out all its provisions. Delegation of ministerial or discretionary duties by the Trustee does not necessarily relieve him/her of the responsibility for these duties.

XIV.02 Board as Trustee. The Board shall serve as Trustee unless, with the consent of the Governing Board, the Board appoints a separate Trustee, which may be an individual or individuals, or an institution qualified to exercise trust powers under state law.

XIV.03 Removal of Trustee. In the event the Board appoints a separate Trustee under Section 14.02, it may remove such Trustee by delivering to such Trustee a certified copy of a resolution of removal. A Trustee may resign as Trustee upon giving written notice to the Board. Such removal or resignation shall become effective upon the date specified in such resolution or such written notice, which date shall not be less than thirty (30) days subsequent to the delivery of such resolution or written notice. In the event of such removal or resignation, the Board shall thereupon serve as Trustee unless it appoints a successor Trustee under Section 12.02. The Board or such successor Trustee, upon accepting the appointment in writing, shall become vested with all rights, power, duties, privileges, and immunities as Trustee as if it had originally been designated as Trustee of this Trust. Upon such appointment and acceptance, the predecessor Trustee shall execute any instruments necessary to transfer to the successor Trustee all assets held under this Trust.

XIV.04 Investment Funds. Any contribution by the Plan Sponsor or any other individual, individuals or entity shall be allocated to one or more Investment Funds within the Plan. Such contribution and monies in this fund shall be used for the purpose of providing retirement benefits for Clergypersons who are Participants. The Trustee is authorized and empowered to invest and reinvest the principal and income of each Investment Fund and to keep the Investment Funds invested without distinction between principal and income, in such property, real or personal, as such Trustee deems advisable, including but not limited to any common or preferred stock, bonds, notes, mortgages, trust certificates, mutual funds, single premium annuities and pooled accounts of a bank or trust company maintained exclusively for qualified plans. In making such investments, the Trustee has latitude in the selection of investments so long as the Trustee shall exercise the judgment and care under the circumstances then prevailing, which people of prudence, discretion, and intelligence exercise, in a like situation and shall diversify such investments so as to minimize the risk of large losses. The Trustee, at his/her/their discretion, may keep such portion of any or every Investment Fund in cash or cash balances as the Trustee may from time to time deem to be in the best interest of such Investment Fund.

XIV.05 Power and Authority of the Trustee. In addition to all powers and authorities under common law, statutory authority, and other provisions of this Agreement, the Trustee shall have the following powers and authority in the administration of the funds of this Trust:

- (a) To sell, exchange, convey, assign, or otherwise transfer any securities or other property held in trust, either by private contract or public offering;
- (b) To exercise all rights of ownership over any property held in trust, including, but not limited to, all rights incident to stock ownership;
- (c) To register securities or other Trust property in the name of the Trust or of the Trustee and to hold instruments in bearer form;

- (d) To incur and pay all necessary custodian fees;
- (e) To retain such portion of the funds of the Trust cash or cash equivalents the Trustee may deem inadvisable, without any liability for interest thereon;
- (f) To settle, compromise, or submit to arbitration all claims or damages due from or to the Trust; to commence or defend any legal or administrative proceedings brought in connection with this Plan and Trust, provided, however, that the Trustee shall not be required to maintain any litigation unless he/she has in his/her possession funds sufficient for that purpose or has been indemnified to his/her satisfaction for counsel fees, costs, and other liabilities to which he/she may in his/her judgment, be subjected to by such action;
- (g) To employ agents with respect to carrying out business and other matters of this Trust, to employ legal counsel (who may be counsel for the Plan Sponsor), and to pay reasonable compensation and expenses for such services; and
- (h) To do all such acts as the Trustee may deem necessary to administer the funds held and to carry out the purpose of this Plan and Trust.

XIV.06 Compensation and Expenses.

(a) A Trustee other than the Board or an individual receiving full-time pay from the Plan Sponsor shall receive such reasonable compensation for services as Trustee as may be agreed upon by the Trustee and the Board.

(b) The Trustee shall be entitled to reimbursement by the Plan Sponsor for all proper expenses as incurred by the Trustee in the administration of this Plan and Trust shall be paid out of the Trust Fund unless paid by the Plan Sponsor.

XIV.07 Recordkeeping by Trustee. The Trustee shall keep accurate and detailed records of the administration of this Plan and Trust, which records shall be open to inspection at all reasonable times by the Board, the Plan Sponsor, or the duly designated representative of either. A Clergy person who is a Participant shall also have the right to inspect the records with respect to such Clergy person's own benefits. Within sixty (60) days following the close of each Plan Year, or such other date as may be agreed upon, the Trustee shall file with the Board and the Plan Sponsor a written report of receipts and disbursements and of the balance on hand as well as the amount of each Clergy person's vested Accrued Benefit.

XIV.08 More Than One Trustee. If two (2) or more persons are designated as Trustees, each shall use reasonable care to insure that his/her fellow Trustees do not breach their duties.

ARTICLE XV - MISCELLANEOUS PROVISIONS

XV.01 Top-Heavy Plan Rules. The provisions of Exhibit B to this Agreement, setting forth requirements applicable to "top-heavy plans" as therein defined, are incorporated in this Agreement by this reference.

XV.02 Treatment of Certain Military Service. This section shall not apply to a Clergy person unless he/she returns to a full-time ministry assignment with the Plan Sponsor, within the period following his/her uniformed service during which his/her right to reemployment is guaranteed under federal law. Notwithstanding Sections 1.26 and 1.27, a Clergy person who is entitled to re-employment rights with the Plan Sponsor as a consequence of serving (active duty) with the uniformed services of the United States shall be treated under the Plan as follows:

(a) **Vesting Service:** Such Clergy person shall be credited with service by reason of such uniformed service for the purpose of determining his/her vested status under Article X, provided that he/she was accruing Years of Service for Vesting immediately prior to such uniformed service. No more than five (5) Years of Service for Vesting shall be granted under this provision.

(b) **Benefit Service:** Such Clergy person shall receive Years of Service for Participation for the period of such uniformed service, provided that immediately prior to such uniformed service he/she was actually accruing benefits under this Plan. No more than five (5) Years of Service for Participation shall be granted under this provision.

(c) **No duplication of Benefits:** This Section shall not operate to provide Years of Service for Vesting or Years of Service for Participation to a Clergy person with respect to any period for which such service is provided to such Clergy person under another Plan provision.

XV.03 Headings. The headings of this Agreement have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof.

XV.04 Limited Effect of Plan and Trust. Nothing herein contained shall be construed as giving any Clergy person the right to be retained in the service of the Plan Sponsor, nor, upon dismissal or voluntary termination, having any right or interest in this Plan and Trust other than as provided herein.

XV.05 Action Taken by Officer. Whenever under the terms of this Agreement the Plan Sponsor is permitted or required to take some action, such action may be taken by any officer of the Plan Sponsor who has been duly authorized by the Governing Board of the Plan Sponsor.

XV.06 Nonalienable Interest. To the extent permitted by law, no payment to any person under any Contract, nor the right to receive such payments, nor any interest in this Plan and Trust, shall be subject to assignment, alienation, transfer, or encumbrance, either by voluntary or involuntary act of any Clergy person or Beneficiary or by operation of law, nor shall such payment or right or interest be subject to the demands or claims of any creditor of such person, nor liable in any way for such person's debts, obligations, or liabilities.

The preceding paragraph shall apply also to the creation, assignment, or recognition of a right to any benefit payable with respect to a Clergy person, pursuant to a domestic relations order, unless such order is (a) entered before January 1, 1985 or (b) determined by the Board or its delegate to be--

- (1) consistent with the Plan, and
- (2) an order that would be a "Qualified Domestic Relations Order" under Section 414(p) of the Code if such section applied to the Plan.

XV.07 Construction. The validity of this Plan and Trust or any of its provisions shall be determined under and construed according to the laws of the State of California, except when preempted by Federal law. If any provisions of this Plan and Trust shall be held illegal or invalid for any reason, such determination shall not affect the remaining provisions of this Plan and Trust and it shall be construed as if said illegal or invalid provision had never been included.

XV.08 Recipient Disputes. If a dispute arises as to the proper recipient of any payment or delivery of any Contracts, the Trustee, in his/her sole discretion, may withhold or cause to be withheld, such payment or delivery until the dispute shall have been settled by the parties concerned or shall have been determined by a court of competent jurisdiction.

XV.09 Continuation of Trust on Merger or Consolidation. In the event of a dissolution, merger, or consolidation of the Plan Sponsor, and following approval by the Board, provisions may be made by the successor for the continuance of this Trust, and said successor shall in such event be substituted in the place of the present Plan Sponsor by an instrument authorizing such substitution executed by the Plan Sponsor and the Plan Sponsor's successor, a copy of which shall be delivered to the Trustee.

XV.10 Effect of Merger or Consolidation. In the case of a merger or consolidation of a Plan, each Clergy person who is a Participant must be entitled to receive a benefit after the merger which is at least equal to the value of the benefit he/she would have been entitled to receive before the merger. The before-merger and after-merger benefits are determined as if the Plan had been terminated.

XV.11 Effect of Increase in Social Security Benefits. There will be no reduction in benefit payments to a Clergy person or beneficiary who is receiving benefits under the Plan, or a Clergy person who is separated from the service and who has nonforfeitable rights to benefits under the Plan because of an increase in Social Security Benefits or wage base.

IN WITNESS WHEREOF, the Plan Sponsor and the Trustee have executed this Plan and Trust this ____ day of _____, 2021.

UNIVERSAL FELLOWSHIP OF
METROPOLITAN COMMUNITY CHURCHES
(Plan Sponsor)

By_____

Title_____

BOARD OF PENSIONS (USA) OF THE
UNIVERSAL FELLOWSHIP OF
METROPOLITAN COMMUNITY CHURCHES
(Trustee)

By_____

Title_____

UNIVERSAL FELLOWSHIP OF METROPOLITAN
COMMUNITY CHURCHES DEFINED
BENEFIT PLAN AND TRUST

APPENDIX A

Defined Benefit Plan Limitations

(a) This Subsection (a), except for Subsection (a)(iv), applies regardless of whether any Clergy person is or has ever been a participant in another qualified plan maintained by the Plan Sponsor.

(i) The annual benefit otherwise payable to a Clergy person at any time will not exceed the maximum permissible benefit. If the benefit the Clergy person would otherwise accrue in a limitation year would produce an annual benefit in excess of the maximum permissible amount, the rate of accrual will be reduced so that the annual benefit will equal the maximum permissible amount.

(ii) If a Clergy person has made nondeductible employee contributions or mandatory employee contributions as defined in Code section 411(c)(2)(C) under the terms of this Plan, the amount of such contributions is treated as an annual addition to a qualified defined contribution plan and is subject to the limit in Subsection (d)(1).

(iii) The limitation in Subsection (a)(ii) is deemed satisfied if the annual benefit payable to a Clergy person is not more than \$10,000 and the Plan Sponsor has not at any time maintained a defined contribution plan, a welfare benefit plan as defined in Code section 419(e), or an individual medical account as defined in Code section 415(1)(2) in which such Clergy person participated; provided, however, that the \$10,000 limit of this Subsection (a)(iv) is subject to reduction under Subsection (d)(x)(A), applied by substituting \$10,000 for the defined benefit dollar limitation or defined benefit compensation limitation, as applicable.

(b) If a Clergy person is, or has ever been, covered under more than one defined benefit plan maintained by the Plan Sponsor, the sum of the Clergy person's annual benefits from all such plans may not exceed the maximum permissible amount. The Plan Sponsor will reduce the annual benefits under this Plan to the extent necessary to prevent such maximum permissible amount from being exceeded, before any annual benefits to the other defined benefit plan maintained by the Plan Sponsor are reduced.

(c) *Transition Rules.* (1) In the case of an individual who was a participant in one or more defined benefit plans of the Plan Sponsor as of the first day of the first limitation year beginning after December 31, 1986, the application of the limitations of this Appendix A shall not cause the maximum permissible amount for such individual under all such defined benefit plans to be less than the individual's accrued benefit under the Plan, determined as if his or her had terminated as of the close of the last limitation year beginning before January 1, 1987, and expressed as an annual benefit within the meaning of Code section 415(b)(2), disregarding:

(A) any change in the terms and conditions of the plan after May 5, 1986; and

(B) any cost of living adjustments occurring after May 5, 1986.

(2) In the case of an individual who was a participant in one or more defined benefit plans of the Plan Sponsor as of the first day of the first limitation year beginning after December 31, 1994, the application of the limitations of this Appendix A shall not cause the maximum permissible amount for such individual under all such defined benefit plans to be less than the individual's Retirement Protection Act of 1994 (RPA '94) old law benefit. The preceding sentence applies only if such defined benefit plans met the requirements of Code section 415 on December 7, 1994.

(3) The amendment of Subsection (d)(vi) reflecting Section 415(b)(11) of the Code as amended by the Pension Protection Act of 2006 (P.L. 109-270) shall not reduce a Clergy person's benefit below the greater of (a) his or her Accrued Benefit on the day before the commencement of the first Limitation Year beginning on or after January 1, 2007 or (b) his or her Accrued Benefit determined as of the day before the first day of the first Limitation Year with respect to which he or she was a highly compensated employee (as defined in Section 414(q) of the Code) of the Plan Sponsor.

(d) *Definitions.*

(i) Annual additions: The sum of the following amounts allocated on behalf of a Clergy person for a limitation year under a defined contribution plan maintained by the Plan Sponsor: (a) all Plan Sponsor contributions; (b) all forfeitures; and (c) all employee contributions. Except to the extent provided in Treasury regulations, annual additions include excess contributions described in Code section 401(k) and excess aggregate contributions described in Code section 401(m), irrespective of whether the plan distributes or forfeits such excess amounts. Excess deferrals under Code section 402(g) are not annual additions unless distributed after the correction period described in Code section 402(g). Amounts allocated to an individual medical account (as defined in Code section 415(1)(2)) included as part of a pension or annuity plan maintained by the Plan Sponsor, also are annual additions. Furthermore, annual additions include contributions attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code section 419A(d)(3)) under a welfare benefit fund (Code section 419(e)) maintained by the Plan Sponsor. For a limitation year, the annual additions allocated on behalf of any Clergy person, to all defined contribution plans maintained by the Plan Sponsor, may not exceed the lesser of: (I) \$40,000 (or, if greater, the \$40,000 amount as adjusted under Code section 415(d)), or (II) 100% of the Clergy person's compensation for the limitation year. If there is a short limitation year because of a change in limitation year, the Administrator will multiply the \$40,000 limitation (or larger limitation) on annual additions by the following fraction:

Number of months in the short limitation year

12

The 100% limitation does not apply to annual additions attributable to an individual medical account or to post-retirement medical benefits under a welfare benefit fund. For purposes of this Subsection (d)(i) of Appendix A, and all other Plan provisions, a defined contribution plan is a retirement plan which provides for an individual account for each participant and for benefits based solely on the amount contributed to the participant's account, and any income, expenses, gains and losses, and any forfeitures of account of other participants which the plan may allocate to such participant's account. The Administrator must treat as a single plan all defined contribution plans maintained by the Plan Sponsor, whether or not terminated. For purposes of the limitations of this Appendix A (except for the \$10,000 minimum benefit limitation in Subsection (a)(iv)), the Administrator will treat participant contributions made to a pension or annuity plan (including this Plan) maintained by the Plan Sponsor as a separate defined contribution plan. The Administrator also will treat as a defined contribution plan an individual medical account (as defined in Code section 415(1)(2)) included as part of a pension or annuity plan maintained by the Plan Sponsor, a simplified employee pension plan (as defined in Code section 408(k)) and a welfare benefit fund under Code section 419(e) maintained by the Plan Sponsor to the extent there are post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code section 419A(d)(3)).

(ii) Annual benefit: A retirement benefit under the Plan which is payable annually in a form of a straight life annuity with no ancillary benefits. With respect to a Clergy person whose benefit is payable in a form of benefit offered under the Plan which is not a straight life annuity with no ancillary benefits, the maximum permissible benefit shall be determined by converting such form of benefit to a straight life annuity under subparagraph (1) or (2) below, subject to subparagraph (3).

(1) *Lump Sum.* With respect to a lump sum or other form of benefit which would be subject to Section 417(e)(3) of the Code if the Plan were subject to Section 417 of the Code, the actuarially equivalent straight life annuity benefit is the greatest of:

(I) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table specified in the Plan for actuarial equivalence;

(II) The annual amount of straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a 5.5 percent interest assumption and the applicable mortality table for the distribution under Section 417 (e) (3) (B) of the Code; or

(III) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Section 417 (e) (3) (C) of the Code and the applicable mortality table for the distribution under Section 417 (e) (3) (B) of the Code), divided by 1.05; provided, that this item (III) shall not apply for a Limitation Year if the Plan Sponsor and affiliates under Code Section 415(h) had no more than 100 employees who received at least \$5,000 of compensation in the preceding year.

(2) *Annuity.* With respect to an immediate annuity or other form of benefit which would not be subject to Section 417(e)(3) of the Code if the Plan were subject to Section 417 of the Code, the actuarially equivalent straight life annuity benefit is greater of -

(I) The annual amount of the straight life annuity (if such a form of benefit is offered under the Plan) payable to a Clergy person under the Plan commencing at the same annuity starting date as the form of benefit payable to the Clergy person; or

(II) The annual amount of straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to a Clergy person computed using a 5 percent interest assumption and the applicable mortality table under Section 417(e)(3)(B) of the Code for that annuity starting date.

(3) *Special Rule.* Notwithstanding subparagraphs (1) and (2), for purposes of this paragraph, survivor benefits payable to a surviving spouse are not taken into account if the form benefit would be a qualified joint and survivor annuity under Section 417 of the Code if the Plan were subject to such section.

(iii) Compensation:

(1) The term Compensation for any Limitation Year means total compensation actually paid or made available by the Plan Sponsor for such year, including income from sources without the United States which is excludable for federal income tax purposes, but not including deferred compensation (as described in Treas. Reg. 1.415(c)-2(c)(1)) or other amounts which receive special tax benefits. Compensation shall be determined without regard to any election of the Clergy person to (i) defer into an arrangement under Code Section 401(k) or 403(b), (ii) to contribute to a plan under Code Section 125, or (iii) reduce for qualified transportation fringe benefits under Code Section 132(f)(4) compensation otherwise payable to the Clergy person by the Plan Sponsor.

(2) Compensation taken into account for a Limitation Year shall be such amount as is actually paid or made available to the Clergy person within such Limitation Year and prior to his or her Termination of Employment Date. Notwithstanding the preceding sentence, however, amounts paid within 2 months after Termination of Employment (or, if later, before the end of the Limitation Year in which such Termination of Employment occurs) shall not be excluded from Compensation if such amounts (I) would have been paid to the Clergy person as regular compensation (as described in Treas. Reg. 1.415(c)-2(e)(3)(ii) if his or her employment had not terminated, or (II) were for accrued sick, vacation or other leave that the Clergy person could have used if his or her employment had continued.

(3) Compensation for a Limitation Year in excess of the limitation under Section 401(a)(17) of the Code that is in effect for the calendar year in which such Limitation Year begins shall be disregarded.

(iv) Reserved.

(v) Defined benefit dollar limitation: The "defined benefit dollar limitation" is \$160,000, as adjusted, effective January 1 of each year, under section 415(d) of the Code in such

manner as the Secretary shall prescribe, and payable in the form of a straight life annuity. A limitation as adjusted under section 415(d) will apply to limitation years ending with or within the calendar year for which the adjustment applies.

(vi) Defined benefit compensation limitation: Solely with respect to a Clergy person who is or has at any time been a highly compensated Employee (as defined in Section 414(q) of the Code) of the Plan Sponsor, the defined benefit compensation limitation means 100% of such Clergy person's highest average compensation (as defined in paragraph (viii)) for the three consecutive years for which such average is highest.

(vii) Plan Sponsor: For purposes of this Appendix A, Plan Sponsor shall mean the entity that adopts this Plan, and all members of a controlled group of corporations (as defined in Code section 414(b) as modified by Code section 415(h)), all commonly controlled trades or businesses (as defined in Code section 414(c) as modified by Code section 415(h), or affiliated service groups (as defined in Code section 414(m)) of which the adopting employer is a part, and any other entity required to be aggregated with the Plan Sponsor pursuant to regulations under Code section 414(o).

(viii) Highest average compensation: The average compensation (as defined in subsection (d)(iii) of this Appendix A) for the three consecutive years of service with the Plan Sponsor that produces the highest average.

In the case of a Clergy person whose licensing has terminated, the Clergy person's highest average compensation will be automatically adjusted by multiplying such compensation by the cost of living adjustment factor prescribed by the Secretary of the Treasury under Code section 415(d) in such manner as the Secretary shall prescribe. The adjusted compensation amount will apply to limitation years ending within the calendar year of the date of the adjustment.

(ix) Limitation year: The Plan Year, unless the Plan Sponsor amends the Plan to elect a different 12-consecutive month period. All qualified plans maintained by the Plan Sponsor shall use the same limitation year. If the limitation year is amended to a different 12-consecutive month period, the new limitation year shall begin on a date within the limitation year in which the amendment is made.

(x) Maximum permissible benefit: The "maximum permissible benefit" is the lesser of the defined benefit dollar limitation or (solely with respect to a Clergy person who is or has at any time been a highly compensated Employee (as defined in Section 414(q) of the Code) of the Plan Sponsor) the defined benefit compensation limitation (both adjusted where required, as provided in (A) and, if applicable, in (B) or (C) below).

(A) If the Clergy person has fewer than 10 years of participation in the Plan, the defined benefit dollar limitation shall be multiplied by a fraction, (i) the numerator of which is the number of years (or part thereof) of participation in the plan and (ii) the denominator of which is 10. In the case of a Clergy person who has fewer than 10 years of service with the Plan Sponsor, the defined benefit compensation limitation shall be multiplied by

a fraction, (i) the numerator of which is the number of years (or part thereof) of service with the Plan Sponsor and (ii) the denominator of which is 10.

(B) Commencement before Age 62. If a Clergy person's retirement benefit commences before his or her 62nd birthday, the dollar limitation set forth in subsection (a)(1) (determined after adjustment under subsections (c) and (d)) shall be the smaller of-

(I) The actuarial equivalent of said dollar limitation at age 62, determined by using the interest rate and mortality assumption in paragraph (3), or

(II) If the Plan offers an immediately commencing straight life annuity payable both at age 62 and the age at which the Clergy person's benefit commences, said dollar limitation multiplied by the ratio of the annual amount of the immediately commencing straight life annuity under the Plan to the annual amount of the straight life annuity under the Plan commencing at age 62, with both annual amounts determined without applying the rules of this Appendix A.

(C) Commencement after Age 65. If a Clergy person's retirement benefit commences after his or her 65th birthday, the dollar limitation set forth in subsection (a)(1) (determined after adjustment under subsections (c) and (d)) shall be the smaller of:

(I) The actuarial equivalent of said dollar limitation at age 62, determined by using the interest rate and mortality assumptions in paragraph (3), or

(II) If the Plan offers an immediately commencing straight life annuity payable both at age 65 and the age at which the Clergy person's benefit commences, said dollar limitation multiplied by the ratio of (a) the annual amount of the immediately commencing straight life annuity under the Plan (computed by disregarding the Clergy person's accruals after age 65 but including actuarial adjustments even if those actuarial adjustments are applied to offset accruals) to (b) the annual amount of the straight life annuity under the Plan commencing at age 65 payable under the Plan to a hypothetical participant who is 65 years old and has the same accrued benefit (with no actuarial increases for commencement after age 65) as the Clergy person receiving the distribution (determined disregarding the Clergy person's accruals after age 65), with both annual amounts determined without applying the rules of this Appendix A.

(D) *Actuarial Assumptions.* For purposes of subparagraphs (B)(i) and (C)(i), the interest rate assumption used in determining actuarial equivalence shall be 5% per annum, and the mortality assumption shall be that specified by the Secretary of the Treasury under Section 415(b)(2)(E) of the Code.

(xi) Year of participation: The Clergy person shall be credited with a year of participation (computed to fractional parts of year) for each accrual computation period for which the following conditions are met: (1) The Clergy person is credited with at least the period of service for benefit accrual purposes, required under the terms of the Plan in order to accrue a benefit for the accrual computation period, and (2) the Clergy person is included as a participant under the eligibility provisions of the Plan for at least one day of the accrual computation period.

If these two conditions are met, the portion of a year of participation credited to the Clergy person shall equal the amount of benefit accrual service credited to the Clergy person for such accrual computation period. A Clergy person who is permanently and totally disabled within the meaning of Code section 415(c)(3)(C)(i) for an accrual computation period shall receive a year of participation with respect to the period. In addition, for a Clergy person to receive a year of participation (or part thereof) for an accrual computation period, the Plan must be established no later than the last day of such accrual computation period. In no event will more than one year of participation be credited for any 12-month period.

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APPENDIX B

Modifications for Top Heavy Plans

B.01 Application of Provisions. The provisions in this Appendix B shall take precedence over any other provisions in the Plan with which they conflict.

B.02 Definitions.

(a) "Key employee." 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 or any of the four preceding Plan Years (regardless of whether the Plan has terminated) was an officer of the Employer having annual compensation greater than \$130,000 (as adjusted under section 416(i)(1) of the Code for Plan Years beginning after December 31, 2002), a 5-percent owner of the Employer, or a 1-percent owner of the Employer having annual compensation of more than \$150,000. For this purpose and for all purposes under this Appendix B, annual compensation means compensation within the meaning of Section 415(c)(3) of the Code and shall include all amounts contributed by an employer pursuant to a salary reduction arrangement and any amount which is includible in the income of the employee by reason of Sections 125, 132(f)(4) or 457 of the Code. The determination of who is a key employee will be made in accordance with Section 416(i)(1) of the Code and the applicable regulations and other guidance of general applicability issued thereunder.

(b) "Top-heavy plan." For any Plan Year beginning after December 31, 1983, this Plan is top-heavy if any of the following conditions exists:

(i) If the top-heavy ratio for this Plan exceeds 60% and this Plan is not part of any required aggregation group or permissive aggregation group of plans.

(ii) If this Plan is a part of a required aggregation group of plans but not part of a permissive aggregation group and the top-heavy ratio for the group of plans exceeds 60%.

(iii) If this Plan is a part of a required aggregation group and part of a permissive aggregation group of plans and the top-heavy ratio for the permissive aggregation group exceeds 60%.

(c) "Top-heavy ratio."

(i) If the Employer maintains one or more defined benefit plans and the Employer has not maintained any defined contribution plan (including any Simplified Employee Pension Plan) which during the five-year period ending on the determination date(s) has or has had account balances, the top-heavy ratio for this Plan alone or for the required or permissive

aggregation group as appropriate is a fraction, the numerator of which is the sum of the present value of accrued benefits of all key employees as of the determination date(s) (including any part of any accrued benefit distributed in the five-year period ending on the determination date(s)), and the denominator of which is the sum of the present value of accrued benefits (including any part of any accrued benefits distributed in the five-year period ending on the determination date(s)), both computed in accordance with Code section 416 and the regulations thereunder.

(ii) If the Employer maintains one or more defined benefit plans and the Employer maintains or has maintained one or more defined contribution plans (including any Simplified Employee Pension Plan) which during the five-year period ending on the determination date(s) has or has had any account balances, the top-heavy ratio for any required or permissive aggregation group as appropriate is a fraction, the numerator of which is the sum of the present value of accrued benefits under aggregated defined benefit plan or plans for all key employees, determined in accordance with Paragraph (i) above, and the sum of the account balances under the aggregated defined contribution plan or plans for all key employees as of the determination date(s), and the denominator of which is the sum of the present value of accrued benefits under the aggregated defined contribution plan or plans for all participants, determined in accordance with Paragraph (i) above, and the account balances under the aggregated defined contribution plan or plans for all participants as of the determination date(s), all determined in accordance with Code section 416 and the regulations thereunder. The account balances under a defined contribution plan in both the numerator and denominator of the top-heavy ratio are increased for any distribution of an account balance made in the five-year period ending on the determination date.

(iii) For purposes of Paragraphs (i) and (ii) above the value of account balances and the present value of accrued benefits will be determined as of the most recent valuation date that falls within or ends with the 12-month period ending on the determination date, except as provided in Code section 416 and the regulations thereunder for the first and second plan years of a defined benefit plan. The account balances and accrued benefits of a participant (1) who is not a key employee but who was a key employee in a prior year, or (2) who has not been credited with at least one Hour of Service with any employer maintaining the Plan at any time during the five-year period ending on the determination date will be disregarded. The calculation of the top-heavy ratio, and the extent to which distributions, rollovers, and transfers are taken into account will be made in accordance with Code section 416 and the regulations thereunder. Deductible employee contributions will not be taken into account for purposes of computing the top-heavy ratio. When aggregating plans the value of account balances and accrued benefits will be calculated with reference to the determination dates that fall within the same calendar year.

The accrued benefit of a participant other than a key employee shall be determined under (a) the method, if any, that uniformly applies for accrual purposes under all defined benefit plans maintained by the Employer, or (b) if there is no such method, as if such benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional rule of Code section 411(b)(1)(C).

(iv) Effective for Plan Years beginning on or after January 1, 2002, notwithstanding items (i), (ii), and (iii) above, 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) Distributions during year ending on the determination date. The present values 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 section 416(g)(2) of the Code 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 section 416(g)(2)(A)(i) of the Code. In the case of a distribution made for a reason other than severance from employment, death, or disability, this provision shall be applied by substituting "5-year period" for "1-year period."
- (II) Employees not performing services during year ending on the determination date. The accrued benefits and accounts of any individual who has not performed services for the Employer during the 1-year period ending on the determination date shall not be taken into account.

(d) "Permissive aggregation group." The required aggregation group of plans plus any other plan or plans of the Employer which, when considered as a group with the required aggregation group, would continue to satisfy the requirements of Code sections 401(a)(4) and 410.

(e) "Required aggregation group." (i) Each qualified plan of the Employer in which at least one key employee participated at any time during the Plan Year that includes the determination date or any of the four previous Plan Years (regardless of whether the plan has terminated), and (ii) any other qualified plan of the Employer which enables a plan described in (i) to meet the requirements of Code sections 401(a)(4) or 410.

(f) "Determination date." For any Plan Year subsequent to the first Plan Year, the last day of the preceding Plan Year. For the first year of the Plan, the last day of that year.

(g) "Non-key employee." Any Employee who is not a key employee.

(h) "Valuation date." For each defined benefit plan sponsored by the Employer, the valuation date is the most recent date within the 12-month period ending on the determination date used for computing plan costs for minimum funding for such plan. For each defined contribution plan sponsored by the Employer, the valuation date is the most recent date within the 12-month period ending on the determination date used for annual valuation of account balances for such plan.

(i) "Present value." For purposes of establishing present value to compute the top-heavy ratio, any benefit shall be discounted using the interest and mortality rates described in Article III of the Plan.

B.03 Accelerated Vesting.

Unless the Plan provides for full and immediate vesting of the participant's Accrued Benefit upon participation, then for any Plan Year in which this Plan is deemed to be a top-heavy plan, the vesting schedule contained in Section 10.02 shall be modified as follows:

Total Service for Vesting (excluding Years of Service prior to effective date of this Plan)	Vested percentage
Less than 3 years	0%
3 years or more	100%

Should this Plan not be deemed to be a top-heavy plan after previously being so categorized, the vesting schedule contained in Section 10.02 shall again be effective except that the vested percentage attained by participants shall not be reduced thereby and participants with 3 or more Years of Service for Vesting shall have the right to select the vesting schedule under which their vested Accrued Benefit will be determined.

B.04 Minimum Benefits.

For any Plan Year in which this Plan is determined to be a top-heavy plan, a minimum non-integrated benefit shall be accrued pursuant to this Plan by each non-key employee who is a Clergyperson and a Participant and who completes 1,000 Hours of Service during such Plan Year, regardless of his or her level of compensation or whether he or she is employed on any specific date. A Clergyperson's Accrued Benefit as otherwise determined under the provisions of the Plan shall not be less at any point in time than the minimum non-integrated benefit which the Clergyperson may accrue under the provisions of this Section B.04.

For the purposes of this Section B.04 and subject to the prior paragraph, the minimum non-integrated benefit provided by the Employer to each non-key employee is an amount, which when expressed as an annual retirement benefit, shall be no less than 2% of such non-key employee's average annual compensation for his 5 highest consecutive Years of Service for Vesting, multiplied by the Employee's Years of Service for Vesting with the Employer, not to exceed 10 years. For the purposes of the preceding sentence, Years of Service for Vesting with the Employer shall not include Years of Service for Vesting completed during any Plan Year which begins before January 1, 1984, or Years of Service for Vesting completed during a Plan Year for which the Plan is not a top-heavy plan, or Years of Service for Vesting completed before a non-key employee becomes a participant in the Plan. For the purposes of this Section B.04, the minimum benefit provided above shall be computed in the form of a single life annuity, with no ancillary benefits, beginning at Normal Retirement Age.

The minimum accrued benefit required (to the extent required to be nonforfeitable under Code section 416(b)) may not be forfeited under Code section 411(a)(3)(B) or 411(a)(3)(D).

For Plan Years beginning on or after January 1, 2002, in determining years of service with the Employer for purposes of this section, 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.

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APPENDIX C

Minimum Distribution Requirements

Section 1. General Rules

1.1. Effective Date. The provisions of this Appendix will apply for purposes of determining required minimum distributions for calendar years beginning with the 2006 calendar year. All distributions required under this Appendix will be determined and made in accordance with final treas. Reg. 1.401(a)(9)-1 through - 9, notwithstanding any provision of the Plan to the contrary. Additionally, all distributions will be made in accordance with the minimum distribution incidental benefit requirements of Section 401(a)(9)(G) of the Code.

1.2. TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Appendix, other than section 1.1, distributions may be made under a designation made before January 1, 1984, in accordance with section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act (TEFRA) and the provisions of the plan that relate to section 242(b)(2) of TEFRA.

1.3. Good Faith Interpretation for Years 2003-2005. Nothing in this Section shall negate the Plan's reliance on a reasonable and good faith interpretation of Section 401(a)(9) of the Code with respect to distributions in calendar years 2003, 2004, and 2005.

Section 2. Time and Manner of Distribution.

2.1. Required Beginning Date. The Clergy person's entire interest will be distributed, or begin to be distributed, to the Clergy person no later than the Clergy person's required beginning date.

2.2. Death of Clergy person Before Distributions Begin. If the Clergy person dies before distributions begin, the Clergy person's entire interest will be distributed, or begin to be distributed, no later than as follows:

(a) If the Clergy person's surviving spouse is the Clergy person's sole designated beneficiary, then, subject to Section 5, distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Clergy person died, or by December 31 of the calendar year in which the Clergy person would have attained age 70-1/2 (age 72, for individuals who reach age 70-1/2 after December 31, 2019), if later.

(b) If the Clergy person's surviving spouse is not the Clergy person's sole designated beneficiary, then, subject to Section 5, distributions to the designated beneficiary will begin by

December 31 of the calendar year immediately following the calendar year in which the Clergy person died.

(c) If there is no designated beneficiary as of September 30 of the year following the year of the Clergy person's death, the Clergy person's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Clergy person's death.

(d) If the Clergy person's surviving spouse is the Clergy person's sole designated beneficiary and the surviving spouse dies after the Clergy person but before distributions to the surviving spouse begin, this section 2.2, other than section 2.2(a), will apply as if the surviving spouse were the Clergy person.

For purposes of this section 2.2 and section 5, distributions are considered to begin on the Clergy person's required beginning date (or, if section 2.2(d) applies, the date distributions are required to begin to the surviving spouse under section 2.2(a)). If annuity payments irrevocably commence to the Clergy person before the Clergy person's required beginning date (or to the Clergy person's surviving spouse before the date distributions are required to begin to the surviving spouse under section 2.2(a)), the date distributions are considered to begin is the date distributions actually commence.

2.3 Form of Distribution. Unless the Clergy person's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions will be made in accordance with sections 3, 4 and 5 of this Appendix. If the Clergy person's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of section 401(a)(9) of the Code and the Treasury regulations. Any part of the Clergy person's interest which is in the form of an individual account described in section 414(k) of the Code will be distributed in a manner satisfying the requirements of section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

Section 3. Determination of Amount to be Distributed Each Year.

3.1 General Annuity Requirements. If the Clergy person's interest is paid in the form of annuity distributions under the plan, payments under the annuity will satisfy the following requirements:

(a) the annuity distributions will be paid in periodic payments made at intervals not longer than one year;

(b) the distribution period will be over a life (or lives) or over a period certain not longer than the period described in section 4 or 5;

(c) once payments have begun over a period certain, the period certain will not be changed even if the period certain is shorter than the maximum permitted;

(d) payments will either be nonincreasing or increase only as follows:

- (1) by an annual percentage increase that does not exceed the annual percentage increase in a cost-of-living index that is based on prices of all items and issued by the Bureau of Labor Statistics;
- (2) to the extent of the reduction in the amount of the Clergy person's payments to provide for a survivor benefit upon death, but only if the beneficiary whose life was being used to determine the distribution period described in section 4 dies or is no longer the Clergy person's beneficiary pursuant to a qualified domestic relations order that qualifies for the exception described in the second paragraph of Section 15.06;
- (3) to provide cash refunds of employee contributions upon the Clergy person's death;
- (4) to pay increased benefits that result from a plan amendment; or
- (5) by a constant percentage applied not less frequently than annually, at a rate that is less than 5 percent per year.

3.2 Amount Required to be Distributed by Required Beginning Date. The amount that must be distributed on or before the Clergy person's required beginning date (or, if the Clergy person dies before distributions begin, the date distributions are required to begin under section 2.2(a) or (b)) is the payment that is required for one payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received, e.g., bi-monthly, monthly, semi-annually, or annually. All of the Clergy person's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the Clergy person's required beginning date.

3.3 Additional Accruals After First Distribution Calendar Year. Any additional benefits accruing to the Clergy person in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

Section 4. Requirements For Annuity Distributions That Commence During Clergy person's Lifetime.

4.1 Joint Life Annuities Where the Beneficiary Is Not the Clergy person's Spouse. If the Clergy person's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the Clergy person and a nonspouse beneficiary, annuity payments to be made on or after the Clergy person's required beginning date to the designated beneficiary after the Clergy person's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the Clergy person using the table set forth in Q&A-2 of section 1.401(a)(9)-6 of the Treasury regulations. For purposes of the preceding sentence, if the Clergy person has not reached age 70 on his or her annuity starting date, the difference in ages between the Clergy person and the Beneficiary is reduced by the number of years the Clergy person is younger than 70 on the Clergy person's birthday in the

calendar year that contains the annuity starting date. If the form of distribution combines a joint and survivor annuity for the joint lives of the Clergy person and a nonspouse beneficiary and a period certain annuity, the requirement in the first sentence of this Section will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

4.2 Period Certain Annuities. Unless the Clergy person's spouse is the sole designated beneficiary and the form of distribution is a period certain and not a life annuity, the period certain for an annuity distribution commencing during the Clergy person's lifetime may not exceed the applicable distribution period for the Clergy person under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the Clergy person reaches age 70, the applicable distribution period for the Clergy person is the distribution period for age 70 under the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the Clergy person as of the Clergy person's birthday in the year that contains the annuity starting date. If the Clergy person's spouse is the Clergy person's sole designated beneficiary and the form of distribution is a period certain and no life annuity, the period certain may not exceed the longer of the Clergy person's applicable distribution period, as determined under this section, or the joint life and last survivor expectancy of the Clergy person and the Clergy person's spouse as determined under the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the Treasury regulations, using the Clergy person's and spouse's attained ages as of the Clergy person's and spouse's birthdays in the calendar year that contains the annuity starting date.

Section 5. Requirements For Minimum Distributions Where Clergy person Dies Before Date Distributions Begin.

5.1 Clergy person Survived by Designated Beneficiary. If the Clergy person dies before distribution of his or her interest begins and there is a designated beneficiary, distribution of the Clergy person's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Clergy person's death except to the extent that an election is made to receive distributions in accordance with (1) or (2) below:

(1) if any portion of the Clergy person's interest is payable to a designated beneficiary, distributions may be made over the life or over a period certain not greater than the life expectancy of the designated beneficiary commencing on or before December 31 of the calendar year immediately following the calendar year in which the Clergy person died;

(2) if the designated beneficiary is the Clergy person's surviving spouse, the date distributions are required to begin in accordance with (1) above shall not be earlier than the later of (i) December 31 of the calendar year immediately following the calendar year in which the Clergy person died and (ii) December 31 of the calendar year in which the Clergy person would have attained age 70½ (age 72, for individuals who reach age 70-1/2 after December 31, 2019).

If the Clergy person has not made an election pursuant to this Section 5.1 by the time of his or her death, the Clergy person's designated beneficiary must elect the method of distribution no later than the earlier of (i) December 31 of the calendar year in which

distributions would be required to begin under this section, or (ii) December 31 of the calendar year which contains the fifth anniversary of the date of death of the Clergy person.

5.2 No Designated Beneficiary. If the Clergy person dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Clergy person's death, distribution of the Clergy person's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Clergy person's death.

5.3 Death of Surviving Spouse Before Distributions to Surviving Spouse Begin. If the Clergy person dies before the date distribution of his or her interest begins, the Clergy person's surviving spouse is the Clergy person's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this section 5 will apply as if the surviving spouse were the Clergy person, except that the time by which distributions must begin will be determined without regard to section 2.2(a).

Section 6. Definitions.

6.1 Designated beneficiary. The individual who is designated as the beneficiary under section 5.01 of the Plan and is the designated beneficiary under section 401(a)(9) of the Internal Revenue Code and section 1.401(a)(9)-4 of the Treasury regulations.

6.2 Distribution calendar year. A calendar year for which a minimum distribution is required. For distributions beginning before the Clergy person's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Clergy person's required beginning date. For distributions beginning after the Clergy person's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to section 2.2.

6.2 Life expectancy. Life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the Treasury regulations.

6.4 Required beginning date. April 1 of the calendar year following the calendar year in which the Clergy person attains age 70-1/2 (age 72, for individuals who reach age 70-1/2 after December 31, 2019) or retires, if later.