



Free Methodist Church of North America

Pension Plan Administrator's Manual

Questions? Contact ...

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ABOUT THIS MANUAL ...

Welcome to the Pension Benefit Administrator's Manual! This manual has been distributed to you because you work in a conference office or have some other role in the operation of the Free Methodist Church of North America pension plans. The Human Resources staff has worked to ensure that this manual is as user-friendly and easy-to-understand as possible given the complexities of the pension plans and their administration. As one who helps keep the plans up and running in service to our denominational employees, we welcome your input on this effort and also any questions you may have. We want you to be well-served and able to access the information you need to fulfill your responsibilities.

We understand that your schedule is full and that your time is valuable, but we ask that you spend some time looking over this manual to familiarize yourself with the location of the information you will be using and also to make yourself aware of what resources are available and how to access them. Human Resources has made extensive revisions to this manual and also worked to ensure that all the information you need is included.

Probably the most important section of this manual for day-to-day use is the "Participation" section, which includes the pension enrollment form and the change of status form. You may notice that both of these forms have been revised. A supply of the new forms has been included with the mailing of this manual. Please be sure to dispose of your old forms and begin using the new ones. If you need additional forms, please call Human Resources and we will mail them to you promptly.

In order to eliminate confusion in distinguishing between forms related to the Defined Contribution (old) plan and the Defined Benefit (current) plan, we have duplicated the forms on different colors of paper in the "Benefits" section of this manual. Included in that section are sample statements for both plans – all forms related to the Defined Contribution (old) plan are yellow and all forms related to the Defined Benefit (current) plan are blue.

For your convenience, we have put most of the contents of this manual, as well as forms that you will use, onto a CD that you will find attached to the inside cover of the manual. Items which are not included on the CD include the sample statements and benefit calculations – these have to be customized and generated by the Human Resources office for each individual plan participant. The files on the CD are either MS Word files or PDF (Portable Document Format) files. The PDF files can be opened and printed out using Adobe Acrobat Reader software. If you do not have this software, you can download it free from <http://www.adobe.com/products/acrobat/readstep2.html>. Please note that you cannot make modifications to PDF files and you cannot fill them out and return them electronically, although you can attach them to e-mails. If you wish to file your changes of status online, you can do so by going to the Human Resources Web site (<http://hr.freemethodistchurch.org> – please note that you do not use the "www" prefix to get to this site). Please press the "Forms" button for a menu of forms offered online, some of which can be filled out and submitted online as well.

Human Resources normally sends out three to four pension newsletters per year. Be sure to review these for important changes to pension plan policy about which you should be aware. We have provided a section in the back of this manual as a place to store your newsletters. From time to time, we may also issue new pages and/or sections for this manual – we will instruct you to replace pages so that you can keep your manual up-to-date.

Feel free to copy and distribute forms and/or sections from this manual as you see fit. We do ask that, if possible, you use the hard copies of the Pension Enrollment Form that we provide – our office prefers to have these enrollments on our yellow cardstock form so that they are easily found in our files (note that enrollments cannot be submitted online). Be sure to enroll only eligible employees into the pension plan (see *Participation, Page 1* for eligibility requirements).

The Conference Office and the Pension Plans: What are the Conference's Responsibilities?

Each conference is responsible to enroll its eligible new employees into the Defined Benefit (current) plan. It is important that this be done promptly and that the information provided is complete, as delinquency charges apply to late enrollments (see *Billing, Page 3*).

Conference offices also are responsible to make sure that the Human Resources office is informed of all changes of status for its employees. Reportable changes include compensation changes (salary and/or housing), first-time appointments, changes in marital status, transfers to other churches and/or conferences, leaves of absence, terminations and retirements. These changes often affect the amount of the pension contribution, so it is important to report them promptly in order to properly credit each participant's pension benefit. The Human Resources office needs these change of status forms in addition to yearbook information and appointment sheets – the change of status forms keep our participant files current and accurate for auditing purposes.

Conference offices receive pension contribution billings for all churches under their jurisdiction. The conference is responsible for payment of the contributions, being the collector of the pension contribution from each of the churches.

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Please store your "Pension Benefit Insights" newsletters here.



Free Methodist Church of North America Introduction to the Pension Plans

“Serving those who have served God's people so faithfully”

Since 1969 the Free Methodist Church of North America has provided a pension plan for pastors, superintendents, conference personnel, and World Ministries Center employees. This plan was created for the exclusive benefit of church-related workers and their beneficiaries and is designed to help participants gradually build up a secure source of retirement income.

The denomination currently administers two pension plans. The **Defined Contribution Plan** began in 1969 and was frozen as of 1980. While no more participants are being added to the plan, existing accounts are maintained for those who were enrolled in it. The current pension plan began in 1981 and is called the **Defined Benefit Plan**. All new eligible participants who serve in the United States are enrolled into this plan.

Administration of both plans is the responsibility of the Benefits Committee, which in turn reports to the FMCNA Board of Administration, which governs the plans. It is the goal of the Benefits Committee to keep in mind participants' best interests and to continually improve the current plan's benefits, as funds allow, for those who have served the denomination during their working years.

The day-to-day management of the plans is handled by the Human Resources office at the World Ministries Center. Gary Kilgore, executive director of Administration and Finance, along with staff members Willadean Duncan, director of Human Resources, Pam Fortner, Debbie Jenkins, and Jennifer Veldman, Human Resources assistants, are available to help participants with whatever their needs may be.

Hay Group, Inc. of Philadelphia, PA, serves as the actuary for both plans. The actuary continually reviews the plans to determine funding assumptions and maintains all existing and future benefits.

The Free Methodist Foundation handles the investments for the pension plans. The Foundation's board of directors manages and supervises all investments based on the investment objectives set forth for the funds.

Also provided by the denomination, for anyone who is a participant in either pension plan, is the opportunity to receive a comprehensive **Financial Profile** at no cost to the participant. The Human Resources office is working along with King Trust Company, N.A., a subsidiary of the Free Methodist Foundation, to help develop personalized profiles. The Financial Profile addresses specific questions or concerns participants may have about their finances. This service is provided for participants, no matter what their stage of life or financial situation, to help guide them in considering financial and retirement planning, insurance needs, education funding, investment allocation, and estate planning.