



ANGLICAN CHURCH IN NORTH AMERICA

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THE MOST REV. DR. FOLEY BEACH, ARCHBISHOP AND PRIMATE

Anglican Church in North America Retirement Plan Summary Plan Description (September 2022)



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Whether you are an Anglican priest or lay employee, your ministry is important. The Anglican Church in North America Retirement Plan, referred to in this document as the “ACNA Retirement Plan” or simply the “Plan”, is designed to help you set funds aside for your retirement years. It also offers flexibility in the payment of retirement income. If you are a minister or an employee of a participating employer as defined below, you have an opportunity to set aside a portion of your salary tax deferred and to do some financial planning for your future. If you are a minister or lay employee, your employer may also make contributions on your behalf, which helps your money grow. This booklet is merely a summary of the Plan, and it is not possible to describe how the Plan works in every conceivable set of circumstances. In all respects, your rights under the Plan are governed by the Plan Document. If there should be any conflict or differences between this summary and the terms of the Plan Document, the Plan Document shall control.

The Plan is administered by a Retirement Committee appointed by the Anglican Church in North America (the “ACNA”), referred to as the “Committee”. The third party record keeper and ministerial administrator of the Plan is AdminPartners, referred to in this summary as the “Administrator”.

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The contact information for ADMIN Partners is as follows:

ADMIN Partners

Tel.: (877) 484-4400 Option 1

Email: service@youradminpartners.com

1. What is the ACNA Retirement Plan?

The Anglican Church in North America Retirement Plan is a defined contribution plan operating under the rules for a church retirement income account plan under Internal Revenue Code section 403(b)(9). The Internal Revenue Code permits churches, denominations and certain of their related organizations to set up such retirement plans for their employees designed to save them considerable tax dollars now and in the future. The Plan takes full advantage of these tax savings, while at the same time providing you with investment vehicles through which your money can grow. The Plan is also a church plan as defined in section 414(e) of the Internal Revenue Code (the "Code") and section 3(33) of the Employee Retirement Income Security Act ("ERISA"). The Plan has not made an election under Code section 410(d) and is exempt from ERISA. The Plan is a merger of two prior church plans that was effective February 1, 2016, the CANA pension plan referred to as the Anglican Pension Plan which was originally established effective January 1, 2007, and a plan originally established by the ACNA effective July 1, 2009. Participants' accounts under certain other 403(b) plans may be transferred to this Plan. The Committee appointed by the ACNA administers this merged Plan.

2. Who can participate?

Eligible Anglican employers and employees

To participate in the ACNA Retirement Plan and make salary reduction contributions, a clergy or lay employee must be an "employee", as described below, employed by an employer that is eligible to and has elected to participate in the Plan. Such an employer is known as a "participating employer". (Certain Anglican clergy who are not employed by an eligible employer may also participate, as described below.) In addition, clergy who participate in the plan and lay employees who work for a participating employer are also "eligible employees", eligible for contributions made by their employer.

What employers are eligible to participate in the Plan?

Employers eligible to participate in the Plan include:

1. The ACNA;
2. Any Anglican church, diocese or district that is a member of the ACNA or the that is recognized as an Anglican church, diocese or district by the Committee; or

3. Any organization exempt from income tax under Code section 501, controlled by or associated with the Sponsoring Employer within the meaning of Code section 414(e)(3)(B)(ii), and recognized as such by the Committee.

A list of employers participating in the Plan is available from the Administrator.

Who is an eligible employee?

In the case of a lay employee, to be eligible to participate in the Plan at all you must be a common law employee of a participating employer who is recorded as an employee on the employment and payroll records of the employer, and must not be either a nonresident alien with no earned income from the U.S. or a leased employee.

In the case of clergy, the person must be a duly ordained member of the clergy of ACNA engaged in the exercise of his or her ministry, regardless of the source of his or her compensation, as determined by the Committee. Subject to certain requirements of the Internal Revenue Code, certain self-employed clergy and chaplains not employed by churches may also participate in the Plan and deduct contributions to the Plan on their personal income tax returns under Internal Revenue Code section 404(a)(10). For more information concerning participation by such self-employed clergy and chaplains, please consult your personal tax or legal advisor, and see IRS Publication 517, "Social Security and Other Information for Members of the Clergy and Religious Workers".

How can I be sure whether I am eligible to participate in the Plan?

You can verify your eligibility to participate in the Plan by contacting the person at your Anglican church responsible for payroll and benefits or the ACNA directly:

Linda Mathesius, ACNA HR Administrator
benefits@anglicanchurch.net

3. How are contributions made?

First, if you are an eligible employee employed by a participating employer, you must complete an enrollment form available from the person at your church responsible for payroll and benefits or the Administrator.

Salary reduction contributions

Pre-Tax. You may make contributions on a pre-tax elective basis, by reducing a portion of your salary. You may elect to contribute up to the maximum amount allowed by law (see below). Plan contributions made by you must be made under a written salary reduction agreement with your participating employer. Under that agreement, beginning as soon as practicable after the completed agreement is filed with your employer, the salary paid to you for payroll periods will be reduced by your employer and the amount of the reduction will be applied to contributions by your employer to one or more of the funding vehicles you select that are available under the Plan. Please note that you must provide these forms sufficiently prior to when you wish salary reductions to commence to provide your payroll department and the administrator sufficient time to process them.

Roth. Beginning October 1, 2020, you may also contribute a portion of your salary to the Plan on a Roth after-tax basis, subject to IRS limits, as described below. Your Roth contributions to the Plan are taxable at the time you make the contributions, and will be subject to ordinary withholding for federal income tax (and most state and local tax) at that time. However, your Roth funds when distributed (including investment gains on your Roth contributions) are tax-free as long as the funds are distributed in a "Qualified Distribution." A Qualified Distribution must be taken at least five years after you made your first Roth contribution, and after you have either attained age 59 ½, become disabled, or died. Roth contributions distributed in a manner that is not a Qualified Distribution are not taxable (because they were already taxed at the time they were contributed), but any investment earnings on those Roth contributions will be taxable in full. In addition, you may be subject to an extra 10% tax on the entire amount distributed if you have not yet reached age 59 ½.

Terminating or Modifying your Elections. You may terminate or modify your salary reduction agreement at any time, effective as of the date you choose, but only prospectively, and no sooner than administratively practicable.

In-Plan Roth Conversions Not Permitted. Currently, conversion of your before-tax contributions and employer contributions through an "in-plan Roth conversion" is not available.

Employer contributions

A participating employer may make additional contributions to your account under the Plan. Such contributions may be a percentage of your compensation, a specific dollar amount, a match of all or part of your salary reduction contribution, or in another method determined by the participating employer. The participating employer may also determine, in its sole discretion, which of its employees, whether minister or lay, is eligible to receive a contribution and in what amount. If your participating employer elects to make a contribution to the Plan for your account, your participating employer will notify you of whether you will be eligible for a contribution, and if so, the amount.

You do not pay federal income taxes on your salary reduction contributions (except Roth contributions) or employer nonelective contributions to the Plan, provided the amount of these contributions does not exceed the limitations of the Internal Revenue Code, as described below. Contributions that are nonelective employer contributions are not subject to FICA, or in the case of ministers, SECA. However, salary reduction contributions, whether pre-tax or Roth, made on behalf of lay employees are subject to FICA at the time of contribution. Distributions from the Plan are not subject to FICA or SECA.

Special rule for foreign missionaries

Nonelective employer contributions and elective employee contributions made on behalf of a foreign missionary with respect to income that would be excludable under Internal Revenue Code section 911 are made as pre-tax contributions but are deposited into the Plan as "investment in the contract". This permits these contributions to be withdrawn tax-free from the Plan. Earnings on these contributions, however, will be taxable income.

4. When do my Plan contributions become vested (i.e., owned by me)

You are fully and immediately vested in the benefits arising from contributions, both salary reduction and employer nonelective, under the Plan. Such amounts are nonforfeitable at all times. Thus, your account stays with you, and if you die, your designated beneficiary or spouse will receive your entire account, as described below.

5. Are contributions by participating employers and employees limited in amount by law?

Yes. The Internal Revenue Code imposes two separate limits on the amount of contributions to 403(b)(9) church plans, as described below. This is a very complex area of the tax laws. One limit applies to your pre-tax and Roth salary reduction contributions. The other limit, known as the "Section 415 limit," limits all contributions, whether the contributions are elective (made by salary reduction), are nonelective contributions made by the employer, or after-tax or pre-tax. Generally, contributions cannot exceed either of these two limits.

Limit on employee salary reduction contributions

Employee salary reduction contributions, whether pre-tax or Roth - sometimes called elective deferrals - under 403(b) plans are subject to the requirements of section 402(g) of the Internal Revenue Code, which basically limits an employee's salary reduction contributions to a stated dollar amount. This dollar limit is \$19,500 in 2020 and 2021, and is adjusted for cost-of-living from time to time. Please note this limit applies on an aggregate basis to all your salary reduction contributions to any 401(k) or 403(b) plans in which you participate. However, unlike their counterparts in 401(k) plans, participants in 403(b) plans who are "highly compensated employees" or "HCEs" (generally, employees earning more than \$130,000 annually in 2020 and 2021) can contribute up to the dollar limit (\$19,500 in 2020 and 2021, for example), regardless of how much other employees may contribute.

Age 50 Catch-up Contributions

Participants who have exhausted their other salary reduction contribution limits may make additional salary reduction contributions in a plan year if they have attained age 50 during or before the year. The amount of additional salary reduction contributions permitted under this rule is \$6,500 in 2020 and 2021. The amount will be adjusted from time to time for cost-of-living in the future.

What should I do if I exceed these Limits?

If you make a salary reduction contribution that exceeds the 402(g) dollar limits after applying any catch-ups, you should request a return of the excess by notifying the Administrator by March 1 of the following year.

The Section 415 Limit

Contributions under section 403(b) plans, whether pre-tax or after-tax, including elective deferrals pursuant to a salary reduction agreement and employer contributions, are subject to an overall limitation on annual additions of Code section 415. Section 415 generally limits the total

amount of contributions and forfeitures that can be allocated to a participant's account for any year to a dollar limit (\$57,000 in 2020, and \$58,000 in 2021, and adjusted annually for cost-of-living) or 100 percent of compensation, whichever is less. For this purpose, compensation is generally taxable compensation, plus amounts contributed by salary reduction to 401(k) and 403(b) plans and to cafeteria plans (also known as 125 plans or flexible benefit plans) to purchase health and welfare benefits. Compensation for this purpose does not include amounts that are excluded from your taxable income as clergy housing allowance. In addition, church plan participants may also exceed the annual 100 percent of compensation limitation if the total annual addition for the employee for the year does not exceed \$10,000, and the aggregate excess contributions over the annual addition limit for all years does not exceed \$40,000. No special election has to be made to use this \$10,000/\$40,000 rule, but as with calculating the limits generally, it is the Plan participant's responsibility for keeping a record of how much of the \$40,000 lifetime limit has been used.

Help! How do I figure out all these limits?

Don't be overwhelmed. These maximum limits are similar to those that apply to any tax-advantaged pension plan. You may simply not have heard of them because non-church employers usually perform these types of tests for the plan participants because they have all necessary information in their payroll records. However, because these limits as applied to this Plan depend upon information that only the local church or, you, the participant, may have, such as the amount of your compensation, years of service with the employer, and contributions to other plans, it will be necessary for you or your church employer to calculate these limits. IRS Publication 571, Tax Sheltered Annuity Programs, available from your local IRS office or by calling (800) 829-3676, or available on-line at www.irs.ustreas.gov/forms_pubs, also contains more information on, and worksheets for calculating, an individual's 402(g) and 415 limits. You may also contact the Administrator for assistance.

Special rules for certain Non-Qualified Church Controlled Organizations

A key advantage to 403(b) plans is that they are exempt from burdensome discrimination and coverage requirements. The advantage is greatest for employers that are "churches" or "qualified church-controlled organizations" as defined in Code sections 3121 (w)(3)(A) and (B). Anglican churches fit within this definition. However, a church-controlled organization that offers goods, services, or facilities for sale to the general public, other than on an incidental basis, such as a nursing home or college, and normally receives more than 25 percent of their support from governmental sources or receipts from such sales or provision of goods, services or facilities, may not fall within this definition and may be "non-qualified church-controlled organizations" for Internal Revenue Code purposes, which may have to comply with certain additional requirements regarding nondiscrimination in eligibility or contributions. Please contact the Administrator or the ACNA if you have any questions about such organizations.

6. Does this Plan accept transfers or rollovers from other 403(b) plans?

If you are a participant in another church 403(b) plan, your account may be transferred or rolled over to the ACNA Retirement Plan. If you are eligible for a distribution from a 401(a) or 401(k) plan, IRA or a governmental 457(b) plan, you may also be able to roll over those distributions to the ACNA Retirement Plan. Currently, the Plan does not accept rollovers of

after-tax money rollovers. For more information about transfers and rollovers, including certain limitations, please contact the Administrator.

If you are a clergy participant, note that amounts rolled over from another plan into the ACNA Retirement Plan and earnings on these rollovers will not be eligible for subsequent exclusion from income as housing allowance when distributed from the ACNA Retirement Plan unless the prior plan was also a church plan and the amounts also would have been eligible for the housing allowance upon distribution from the prior plan.

7. How is my account under the Plan invested?

You are the one who decides how to invest your account under the Plan from a selection of mutual funds offered by the Plan. A full list of currently available mutual funds is included in separate information provided by Administrator. This decision is important because investment returns are critical to determining the amount of your pension when you retire. The number of years you have to retirement, and your level of comfort with the risks associated with each type of fund or annuity are important factors in making your investment decision.

Participants do not have the right to invest Plan funds in investments not offered under the Plan. The Committee has the authority to select and change the available investments from time to time if as it deems it to be prudent or advisable, and to direct the investment of Plan assets, including assets previously contributed, in such a manner to accommodate the change in investment options. The Committee also has the authority to direct the investment of the Plan's assets without regard to the participant's instructions, if it is consistent with its duties to do so.

Making your initial investment decisions

You can make your initial investment decisions by completing the enrollment form and returning it to the Administrator. If you have already enrolled, your decision can apply to future contributions, existing accumulations, or both. More information is available at VoyaRetirementPlans.com.

Changing your investment decisions

You can change your investment decisions for future contributions, existing accumulations, or both. You may change as often as you wish. Again, more information is available at VoyaRetirementPlans.com.

No investment decision

If you do not make investment decisions when enrolling in the Plan, your contributions will automatically be invested in a life-cycle, targeted retirement date fund or other fund selected by the Committee. You are strongly encouraged to carefully consider your choices and make your own investment choices. This default selection may be changed by the Committee from time to time.

8. Receiving benefits

When can I begin to receive benefits under the Plan?

Salary reduction contributions can be withdrawn upon the earlier of age 59 and ½ or termination of employment from your participating employer for any reason. Employer contributions, if any, can be withdrawn on or after the earlier of your 65th birthday or your termination of employment. However, in the case of a lay employee, a transfer of employment within 30 days of leaving the first employer between employers that are both members of the ACNA Pension Plan is not considered a termination of employment. Generally, a termination of employment will occur only when you cease to be employed by an employer that is not a part of the ACNA. Rollover contributions can be withdrawn at any time.

In the case of clergy, a cleric will be considered to have terminated employment when the minister ceases to be a duly ordained minister of the ACNA as determined by the Committee in its discretion.

In what form will my benefits be paid?

You may choose from several payment options when you retire. These options are set forth in the funds and contracts offered by Administrator. Generally, payment can be made in a lump sum or in installments. Installment payments must not extend over a period longer than your life or life expectancy or the lives or joint life expectancies of you and your beneficiary, determined in accordance with Internal Revenue Code rules.

Please note that if you are married, you may not designate a beneficiary other than your spouse unless your spouse consents to such other beneficiary designation on a form available from the Administrator.

More information regarding the permissible methods of payment and spousal consent requirements is included with the beneficiary designation form and distribution election forms provided upon request by the Administrator.

You should also take into consideration that taxable distributions prior to age 59 and ½ that are not rolled over to another plan or IRA may be subject to a special 10% penalty tax for early distributions. Exceptions include distributions on account of death, disability, termination of employment after age 55, and payments being made in a series of substantially equal period payments not less frequently than annually made for the life expectancy of the employee or the joint life expectancies of the employee and his or her designated beneficiary. You should consult with your tax advisor prior to taking any distributions from the Plan.

When do I have to begin receiving Plan benefits?

You can defer payment of benefits and keep your account invested under the Plan to a date no later than the year you attain age 70½ (age 72 if you were born on or after June 30, 1949) or retire, whichever is later, provided, however, that if the value of your account is \$1000 or less (or \$5000 or less if you have attained age 65), the Committee reserves the right to distribute your account to you in a lump sum following termination of employment.

Can I receive a cash withdrawal from the Plan while still employed?

This Plan is designed to be for your retirement. To encourage saving for your retirement, cash withdrawals from the Plan while still employed prior to age 65 are generally not permitted except that you may withdraw funds from your Employee Contribution Account after attaining age 59 and ½. However, you may be able to obtain a loan from the Plan while still employed, which is not considered a taxable withdrawal. Your Rollover Account, if any, may be withdrawn at any time.

Does the Plan provide for loans?

Yes. You may borrow from salary reduction contributions and rollover contributions in your account. Such a loan is not considered taxable income to you. The maximum amount of all outstanding plan loans may not exceed the lesser of \$50,000 or 50% of your account. The loan term may not exceed 5 years, unless the principal purpose of the loan is to acquire a dwelling unit that is to be used as your principal place of residence within a reasonable time, in which case the loan term may not exceed 30 years. Loan payments must be made at least monthly and will bear interest at a rate determined from time to time by the Committee. If you are married, you may not borrow from your account without the consent of your spouse. If you default upon a loan, the remaining principal amount of your loan may be considered taxable income to you. A fee may be charged to your account for any loan. For more information about loans, contact the Administrator.

May I roll over distributions from my account to another plan or an IRA?

If you are entitled to receive a distribution from the Plan after a termination of employment or retirement which is an "eligible rollover distribution", you may roll over all or a portion of it either directly or within 60 days after receipt into another section 403(b) plan, a 401(a) plan (including a 401(k) plan), a governmental 457(b) plan, or into a IRA. An "eligible rollover distribution", in general, is any taxable cash distribution other than an annuity payment, a required minimum distribution payment after age 70½ (age 72 if you were born on or after June 30, 1949) pursuant to section 401(a)(9) of the Code, a payment which is part of a fixed number of installment payments over 10 or more years, or a hardship distribution (though hardship distributions are not available under this Plan). The distribution will be subject to a 20 percent federal withholding tax unless it is rolled over directly into another 403(b) plan, a 401(a) plan (including a 401(k) plan), a governmental 457(b) plan, or into an IRA. This process is called a "direct" rollover.

By law, if you have the distribution paid to you, 20 percent of the distribution must be withheld even if you intend to roll over the money into another eligible retirement plan or into an IRA within 60 days. To avoid that withholding, you can request the Administrator to directly roll over your money to another 403(b) plan, 401(a) plan, governmental 457(b) plan or IRA. A lower amount of withholding is required with regard to payments that are not eligible for rollover. If you are a nonspouse beneficiary, rollovers in certain circumstances can be made to "inherited IRAs". More information on rollovers will be provided to you with any distribution eligible for rollover.

What if I die before I receive my Plan benefits?

If you die before beginning to receive your benefits, your account will be paid in a lump sum to your spouse, or your spouse may elect payment in installment form. If you are not married, or if you have designated a beneficiary other than your spouse and your spouse has consented to the designation, you may predetermine the form in which payment of benefits will be made to your designated beneficiary or you may leave the choice to your beneficiary.

If you die after beginning to receive your payments in installment or annuity form, your spouse or other designated beneficiary shall receive such benefits, if any, as are being provided pursuant to the form of payment you are receiving at the time of your death. Federal tax law imposes some limitations on when and how beneficiaries may receive such death benefits. Your beneficiary will receive more information regarding the applicable requirements at the time he or she applies for benefits.

If you are unmarried and you do not designate a beneficiary, your account under the Plan will be paid to your estate.

9. If I am a minister, are my retirement benefits eligible for housing allowance?

In accordance with IRS Revenue Rulings 71-280 and 75-22, the Board of Directors of the ACNA has designated payments to ministers from the ACNA Retirement Plan to be eligible for treatment as housing allowance, to the extent the payments are attributable to pre-tax contributions (and earnings thereon) made on behalf of the minister in relation to services performed by that minister in the exercise of his or her ministry. Please note, however, this is merely a designation. Any amount that exceeds the housing allowance exclusion permitted by tax law must be included in the taxable income of the minister.

If you have any questions about this, please contact the Administrator.

10. May the terms of the Plan be changed?

While it is expected that the Plan will continue indefinitely, the ACNA reserves the right to modify or terminate the Plan at any time.

11. Is the Plan subject to ERISA or insured by the PBGC?

The Plan is a defined contribution church plan, is not subject to the Employee Retirement Income Security Act (ERISA), and is not insured by the Pension Benefit Guaranty Corporation (the PBGC).

12. How do I get more information about the Plan?

For more information regarding the Plan, and its terms, conditions and interpretations, participation and contributions, please contact **Linda Mathesius, ACNA HR Administrator** using the contact information provided above.

For information regarding the performance of your investments, please contact the Administrator.

13. How do you request Plan benefits?

The Administrator has been designated to receive requests for distribution and other claims related to the Plan.

The following rules describe the claims procedure under the Plan:

- **Filing a claim for benefits:** A claim or request for Plan benefits is considered filed when a written communication requesting payment of benefit is made to the Administrator.
- **Processing the claim:** The Administrator will process the claim within 90 days after the claim is filed. If an extension of time for processing is required, written notice will be given to you before the end of the initial 90-day period. The extension notice will indicate the special circumstances requiring an extension of time and the date by which the Administrator expects to render its final decision. In no event can the extension period exceed a period of 90 days from the end of the initial 90-day period.
- **Denial of claim:** If a claim is wholly or partially denied, the Administrator will notify you within 90 days following receipt of the claim (or 180 days in the case of an extension for special circumstances). The notification will state the specific reason or reasons for the denial, specific references to pertinent Plan provisions on which the denial is based, a description of any additional material or information necessary to perfect the claim, and appropriate information about the steps to be taken if you wish to submit the claim for review. If notice of the denial of a claim is not furnished within the 90/180-day period, the claim is considered denied and you are permitted to proceed to the review stage.
- **Review procedure:** You or your duly authorized representative have at least 60 days after receipt of a claim denial to appeal the denied claim to the Administrator and to receive a full and fair review of the claim. As part of the review, you will be allowed to review all Plan documents and other papers that affect the claim and must be allowed to submit issues and comments and argue against the denial in writing.
- **Decision on review:** The Administrator will conduct the review and decide the appeal within 60 days after the request for review is made. If special circumstances require an extension of time for processing (such as the need to hold a hearing if the Plan procedure provides for such a hearing), you will be furnished with written notice of the extension, which can be no later than 120 days after receipt of a request for review. The decision on review will be written in clear and understandable language and will include specific reasons for the decision as well as specific references to the pertinent Plan provisions on which the decision is based. If the decision on review is not made within the time limits specified above, the appeal will be considered denied. All interpretations, determinations, and decisions of the reviewing entity with respect to any claim will be its sole decision based upon the Plan documents and will be deemed final and conclusive and will be afforded the maximum deference permitted by law.

How to contact us:

For investment questions, please contact your investment provider as shown in the investment materials provided to you, and more information is available at [VoyaRetirementPlans.com](https://www.voyaretirementplans.com).

For more information about your eligibility to participate in the Plan or other questions, please contact the person at your church responsible for payroll and benefits, AdminPartners or the ACNA Provincial Office using the contact information provided above.

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