



CHURCH OF GOD RETIREMENT PLAN

Summary Plan Description



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www.cogpension.org

Church of God

Retirement Plan

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SUMMARY PLAN DESCRIPTION

INTRODUCTION

In order to assist its employees in ensuring that they have enough funds set aside for their retirement years, the Church of God established the Church of God Retirement Plan (the “Plan”) for all ministers, missionaries and lay employees of the Church of God who are eligible and elect to participate, as described below. This Plan allows your Church of God employer to set funds aside for your retirement. In addition, it enables you to set aside a portion of your earnings in a tax-advantaged manner during your working years.

The Plan is a church retirement income account program described in section 403(b)(9) of the Internal Revenue Code. The Internal Revenue Code permits denominations and churches to set up retirement plans designed to save 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 intended to be adopted by eligible Church of God employers. By adopting this Plan, your employer can establish its own 403(b) plan, separate from the 403(b) plan of any other eligible employer.

You are encouraged to read this booklet carefully to understand how your employer’s Church of God Retirement Plan works.

This Booklet is a Summary of the Plan

The term “Plan,” as used in this summary, refers to the retirement income account program administered by the Board of Pensions of the Church of God, which your employer has adopted. This Summary Plan Description is a summary of only that Plan and investment options. This summary does not describe any other agreements that your employer may have with providers of other 403(b) arrangements.

You should refer to these pages first when you have a question about the Plan. This description highlights the main provisions of the Plan and includes important information. However, because this description is just a summary, it cannot describe how the Plan works under every conceivable set of circumstances. In all cases, your rights under the Plan are governed by the Plan’s legal document. In the event that this summary is inconsistent with the Plan document, the legal document will control. In addition, as indicated above, this summary does not describe any other 403(b) arrangements that your employer may offer.

A copy of the Plan document describing the retirement income account program administered by the Board of Pensions may be obtained from the Board of Pensions of the Church of God.

The Plan is an Important Part of Your Financial Security

The Old Testament story of Joseph illustrates a strategy for financial planning. Joseph knew there would be seven years of good harvest followed by seven years of no harvest. He had to set aside a significant amount of grain during the good years in order to ensure provisions during the bad years.

This story illustrates the reality that we all have productive years followed by years in which our economic productivity will be reduced or cease. This will most likely occur when we retire. Therefore, it is necessary to set aside “the grain” during the good years for those times in retirement when our earned income will decrease or cease.

The primary purpose of the Plan is to provide Plan members and their beneficiaries with retirement income. The contributions to your account are an important part of financial security in your retirement. Additionally, Social Security (if you have not elected out of it), personal savings, any other retirement savings, and home ownership also contribute to your financial security at retirement.

At retirement, your total account in this Plan, that is, all contributions plus investment earnings, form the basis for calculating your retirement benefits, which can be paid to you in the form of a monthly annuity, in installment payments, or as a lump sum.

The Plan is a Defined Contribution Plan

The Plan is a defined contribution plan. Plan contributions come from employer contributions and contributions you make. All contributions are credited to your account in the Plan. The tax laws limit the amount of contributions which both you and your employer can make to the Plan on your behalf. The Board of Pensions will assist in the calculation of that limit upon request.

Plan Administrator

The Board of Pensions administers the Plan. If you have any questions about the Plan you can contact a representative of the Board of Pensions at 1-800-844-8983 or, if you are local, you can call 765-642-3880.

ELIGIBLE EMPLOYEES AND ENROLLMENT

All clergy and layworkers who are working for and receiving compensation from an eligible Church of God employer are permitted to participate in the Plan, subject to any specific eligibility conditions established by their employer. An eligible employer includes any congregation of the Church of God as well as certain other employers approved by the Board of Pensions. In addition, missionaries and self-employed ministers are also eligible to participate.

If you are employed by an eligible Church of God employer, you should check with your employer to find out whether there are any special eligibility conditions you must meet before you can begin to make contributions to the Plan. If you are eligible to participate in the Plan, you may enroll by completing an application form and returning it to the Board of Pensions. You may obtain an enrollment packet by contacting the Board of Pensions at the address and telephone number below:

P.O. Box 2559
Anderson, Indiana 46018

1-800-844-8983

or

765-642-3880

You may also obtain an enrollment form by going to the web site for the Board of Pensions at www.cogpension.org.

C ONTRIBUTIONS

Types of Contributions

There are three types of contributions that may be made to the Plan. The first is Employer Contributions. Although there is no requirement that your employer must contribute to the Plan, all eligible Church of God employers are strongly encouraged to contribute an amount equal to 11% of each employee's salary. Some employers may even contribute more. You should check with your employer to find out whether you are eligible to receive Employer Contributions and, if so, how much those contributions will be.

The amount of Employer Contributions is based on your gross salary. If your employer provides you with a parsonage, your salary should be increased by 25% in calculating the amount of contributions that can be made to the Plan on your behalf. In addition, if you are a newly-ordained minister, the Employer Contributions may include a supplement paid by the Board of Pensions into your account.

The second type of contributions is Member Before-Tax Contributions which are made by salary reduction. This type of contribution allows you to contribute a certain portion or percent of your compensation to the Plan. You may choose how much you want to contribute. This type of contribution reduces your currently taxable income by the amount of your contribution, saving you current tax dollars. The idea is that, since you are not actually receiving a portion of your salary now, you are also not taxed on it now. However, non-ordained employees do pay Social Security taxes on their salary reduction contributions.

The third type of contributions is Member After-Tax Contributions. You may choose to contribute additional amounts to the Plan on an "after-tax" basis. Unlike Before-Tax Contributions, After-Tax Contributions do not reduce your currently taxable income by the amount contributed. However, earnings on any Member After-Tax Contributions you make, like all earnings in the Plan, are not taxed currently.

If you are a participant in another retirement plan, or if you have been contributing to another 403(b) tax-sheltered annuity provider, you may also be able to make a Rollover Contribution or a Transfer Contribution to this Plan. A Rollover Contribution is a direct rollover of a distribution made from another retirement plan into your account in this Plan. A Transfer Contribution is a transfer directly from another 403(b) annuity provider to the Board of Pensions. There are a number of restrictions on which retirement plans can make direct rollover or transfer contributions and which distributions are eligible for rollover or transfer. Therefore, if you are a participant in another retirement plan, or have contributed to a different 403(b) provider, you should check with the administrator or the provider for that

plan, as well as the Board of Pensions, to determine if you can make a Rollover Contribution or Transfer Contribution to the Plan.

You should understand that this Plan is not intended to be a liquid savings account. Rather, it is a long-term retirement account. It is expected that all contributions made to the Plan will remain in the Plan until you retire. Therefore, in the absence of hardship, the Plan generally does not permit you to withdraw contributions either you or your Church of God employer have made to the Plan on your behalf or to roll over funds from this Plan into another retirement plan, until you reach age 60 or have completed 40 years of service.

Note: The tax laws limit the amount of contributions (not including Rollover or Transfer Contributions) that may be contributed on an employee's behalf, as described below under "How Much to Contribute." Because determining these limits depends on your own financial circumstances, the Board of Pensions cannot be responsible for complying with them; that must be your responsibility. However, the Board of Pensions will provide you with information regarding these limits upon request.

How Much To Contribute

How much may you contribute? The determination of how much you can contribute to the Plan each year is an extremely complex area of the tax laws, and you should consult your tax adviser about this.

Basic Limits: There are essentially two limits on the amount of contributions that can be made to your account. The first limit only applies to your voluntary Member Before-Tax Contributions. The other limit applies to all contributions made to the Plan on your behalf – both your own voluntary contributions and employer contributions. **Generally, you cannot exceed either of these limits.**

- Limit on Member Before-Tax Contributions. The first contribution limit is that the total amount of your voluntary Member Before-Tax Contributions (not counting any Employer Contributions) cannot exceed a specified dollar amount. For 2009, that amount is \$16,500. The Internal Revenue Service ("IRS") may increase this dollar limit from time to time to account for cost-of-living increases.
- Limit on Total Contributions. The second limitation on how much you can contribute is that the total amount of your Member Before-Tax, Employer and Member After-Tax Contributions in a calendar year cannot exceed 100% of your taxable compensation or the statutory dollar amount, whichever is less. For 2009, the statutory amount is \$49,000. The IRS may increase the \$49,000 limit from time to time to account for cost-of-living increases. Please note that, for this purpose,

“compensation” cannot include any tax-exempt housing allowance (if you are a minister).

The Board of Pensions will post any increases to either of these two basic contribution limits on its website. You can go to www.cogpension.org at any time to check the current limits.

Note: Rollover Contributions and Transfer Contributions do not count towards either of these two basic limits.

Catch-Up Contribution Limits. There are also two special “catch-up” contribution limits that apply in limited cases.

- **Age-50 Catch-Up Contributions.** Under the “age-50” catch-up contribution limit, beginning in the year you turn 50, you can make additional voluntary Member Before-Tax Contributions of up to \$5,500 each year. These additional voluntary Member Before-Tax Contributions do not count for purposes of either of the two main contribution limits discussed above. That means that if you turn 50 in 2009, you can make Member Before-Tax Contributions up to \$16,500, plus an additional \$5,500 in “age-50” catch-up contributions (so that your total Member Before-Tax Contributions in 2009 could be as much as \$22,000). The IRS may increase this age-50 catch-up limit from time to time to account for cost-of-living increases.
- **15 Years of Service Catch-Up Contributions.** The second special “catch-up” limit is available to individuals who have been employed within the Church of God for at least 15 years and who have not made maximum voluntary contributions during past years. For example, the \$16,500 limit on your voluntary Member Before-Tax Contributions can be increased by up to \$3,000 if you have 15 years of service with the Church of God and have not contributed up to the maximum voluntary contribution limit in prior years. **Note:** The maximum lifetime amount that can be contributed under this second special “catch-up” contribution limit is \$15,000; and the IRS does not ever adjust this amount to account for cost-of-living increases.

The IRS has adopted a rule for coordinating the two types of catch-up contributions where employees are eligible to make both types of contributions. Any Member Before-Tax Contributions in excess of the basic limit on Member Before-Tax Contributions described above will first be treated as contributions under the 15-years-of-service catch-up limit. Once the 15-years-of-service catch-up contribution is made in full for a year, the age-50 catch-up contribution may be made, up to the annual limit.

Note: As described above, the tax laws limit the amount of contributions (not including Rollover or Transfer Contributions) that may be contributed on your behalf. Because determining these limits depends on your own financial circumstances, the Board of

Pensions cannot be responsible for complying with them; that must be your responsibility. You should consult with your tax adviser about the legal contribution limits. However, the Board of Pensions will provide you with information regarding these limits upon request.

Examples of Application of Contribution Limits

Example One: In 2009, Mary Smith receives a \$30,000 salary. Mary's employer contributes Employer Contributions in the amount \$3,300 (which is 11% of Mary's compensation). Mary also contributes \$5,000 in Member Before-Tax Contributions.

Plan Contributions in 2009:

Employer Contributions:	\$3,300
Member Before-Tax Contributions:	<u>\$5,000</u>
Total Contributions:	\$8,300

Annual Limit on Member Before-Tax Contributions for 2009: \$16,500

Annual Limit on Total Contributions for 2009:

Lesser of: \$49,000 or 100% of taxable compensation.

Mary's taxable compensation is \$30,000.

That means that the maximum annual limit on total contributions is \$30,000.

Conclusion:

Mary's Member Before-Tax Contributions are \$5,000, which is less than the annual limit on Member Before-Tax Contributions; and the total contributions made to her Account (both Member Before-Tax and Employer Contributions) are \$8,300, which is less than the annual limit on total contributions. So Mary and her employer can each make the contributions described in this Example.

Example Two: Pastor Miller is 45 years old and receives a salary of \$30,000, of which \$20,000 is eligible as tax-excludible housing allowance. Pastor Miller's employer contributes \$3,300 (which is 11% of Pastor Miller's compensation). In addition, Pastor Miller contributes \$8,000 in Member Before-Tax Contributions.

Plan Contributions:

Employer Contributions:	\$3,300
Member Before-Tax Contributions:	<u>\$8,000</u>
Total Contributions:	\$11,300

Annual Limit on Member Before-Tax Contributions for 2009: \$16,500

Annual Limit on Total Contributions for 2009:

Lesser of: \$49,000 or 100% of taxable compensation.

Pastor Miller's taxable compensation is \$10,000 (\$30,000 in salary minus \$20,000 housing allowance = \$10,000).

That means that the maximum annual limit on total contributions is \$10,000.

Conclusion:

Although Pastor Miller's total contributions do not exceed the \$16,500 annual limit on Member Before-Tax Contributions, his total contributions (\$11,300) are more than the annual limit on total contributions. Pastor Miller must reduce his Member Before-Tax Contributions even though he has not exceeded the annual limit for these contributions, because he has exceeded the annual limit for total contributions. Pastor Miller must reduce his Member Before-Tax Contributions to \$6,700 so that the total contributions made to his Account in the Plan will be \$10,000 (\$6,700 in Member Before-Tax Contributions plus \$3,300 in Employer Contributions = \$10,000).

Example Three: The facts are the same as for Example Two, except that now Pastor Miller is 62 years old. He still wants to make Member Before-Tax Contributions in the amount of \$8,000, in addition to the 11% Employer Contributions that his employer makes.

Plan Contributions:

Employer Contributions:	\$3,300
Member Before-Tax Contributions:	<u>\$8,000</u>
Total Contributions:	\$11,300

Annual Limit on Member Before-Tax Contributions for 2009:

<i>Basic limit:</i>	\$16,500
<i>Age 50 Catch-Up Contribution Limit:</i>	<u>\$5,500</u>
<i>Total Member Before-Tax Contribution Limit</i>	\$22,000

Annual Limit on Total Contributions for 2009:

Lesser of: \$49,000 or 100% of taxable compensation.

Pastor Miller's taxable compensation is still \$10,000 (\$30,000 in salary minus \$20,000 housing allowance = \$10,000).

That means that the maximum annual limit on total contributions is \$10,000.

Conclusion:

Although the total contributions to the Plan are \$1,300 more than Pastor Miller's taxable compensation, Pastor Miller is entitled to make additional Member Before-Tax Contributions because he is over age 50. These catch-up contributions are in addition to the annual limit on total contributions. Thus, Pastor Miller can treat \$1,300 of his Member Before-Tax Contributions as special age 50 catch-up contributions. As such, the remaining contributions equal \$10,000, which is equal to 100% of Pastor Miller's taxable compensation. Therefore, Pastor Miller's total contributions to the Plan are within the legal limits.

TDS Account Balances

In addition to the contributions that you and your employer can make to this Plan on an ongoing basis, your account in this Plan will include any account balances attributable to contributions made for your benefit to The Church of God Tax-Deferred Supplement Plan ("TDS Plan"). The TDS Plan was merged into this Plan effective January 1, 1998. Those members who have an account balance in the TDS Plan will continue to have the same rights as they had under the TDS Plan. However, beginning on January 1, 1998, all contributions must be made to this Plan and no further contributions will be made to the TDS Plan.

Vesting

All contributions to the Plan, including any TDS Plan account balance, are 100% vested and nonforfeitable. Your Plan account stays with you if you change Church of God employers. All contributions and investment earnings are yours. In other words, you are fully vested from the first day of participation. In case of your death, your spouse or named beneficiary will receive your entire account.

Federal and State Income Tax Information

You do not pay federal income taxes on the contributions at the time Member Before-Tax or Employer Contributions are made. All taxes are deferred until benefits are paid to you or your beneficiary, generally in retirement. Member After-Tax Contributions are taken from salary on which you must pay federal income taxes at the time the salary is paid. These contributions are therefore not taxed when they are later distributed.

The way in which your Plan benefits will be taxed under most state and local income tax laws will be the way in which they are taxed for federal tax purposes. However, you should consult a tax advisor about taxation of your benefits under state and local tax laws, if you are subject to such taxes.

The contributions which are made by your employer are not subject to Social Security taxes or creditable toward Social Security benefits. However, if you are not a minister, your Member Before-Tax Contributions are subject to Social Security taxes.

PLAN ACCOUNTS

All contributions made on your behalf, along with earnings on those contributions, will be credited to an Account under the Plan in your name. As of the end of each business day the Board of Pensions will determine the fair market value of your Account, allocating investment earnings and losses to that account. You will receive a quarterly statement of your Account balance that reflects all contributions to your Account made since the preceding statement, including Rollover and Transfer Contributions, all amounts paid to you from your account during that period, if any, and all earnings and losses to your Account. To find out your Account balance, you can write the Board of Pensions at P.O. Box 2559, Anderson, Indiana 46018 or call 1-800-844-8983. If you are local, you can call 765-642-3880.

You can also find out your Account information at any time by going to the Board of Pensions web site at www.cogpension.org. To access your account, you will need to have established online access and know your "PIN."

INVESTMENT OPTIONS

This Plan is intended to give you an opportunity to exercise control over the investment of the assets in your Account. All amounts credited to your Account under the Plan will be invested at your direction in one or more investment options selected by the Board of Pensions.

Each investment option is different and has its own specific investment objective. It is up to you to decide in which of the investment options you want to invest and how much of your Plan contributions and assets you want to invest in each one. The choice of how to invest is entirely up to you. You should review the available investment information carefully before you choose the investment option or options in which to invest the contributions made to the Plan on your behalf.

Remember: The Board of Pensions may add, eliminate, or otherwise change the investment options offered under this Plan at any time. However, if it does so, it will notify members of any change.

Before investing in any investment option, you should carefully consider the investment objectives, risks, charges and expenses for that investment option. In addition, you should from time to time review the earnings performance of the investment option or options you have selected. You will periodically be provided with information on the earnings performance of all of the available investment options, and you should compare the performance information of the investment options you have selected with that of the other available investment options.

There are currently 15 different investment options. Five of these investment options are “asset allocated” investment funds. These are funds which are composed of a variety of different types of mutual funds. Each of these asset allocated investment funds seeks to achieve a specific investment objective by investing in a certain number of underlying funds. These five investment funds are:

Conservative Fund. This fund seeks to provide a high level of current income with limited capital appreciation and low price volatility levels.

Moderate Fund. This fund seeks modest capital appreciation with strong current income, while recognizing the possibility of moderate price volatility.

Growth and Income Fund. This fund seeks to achieve above-average capital appreciation and a moderate level of current income and price volatility.

Capital Opportunities Fund. This fund seeks to provide a high level of capital appreciation, with low current income, while recognizing the possibility of substantial price volatility.

Aggressive Growth Fund. This fund seeks maximum long-term growth of capital, while accepting a high level of price volatility.

The “price volatility” of each of the funds is either low, moderate, or high. Low price volatility means the fund should not experience large swings in value, while a high price volatility fund could experience significant changes in value from time to time. In addition, the five funds each vary in terms of expected capital appreciation (the increase in the underlying value of the assets in the fund), income (the amount of dividends, interest, capital gains and other income earned by the fund), and risk to principal (the risk that the underlying value of the fund assets could decrease). The following chart illustrates the degree to which each of the five investment funds seeks to obtain capital appreciation and return of income, along with degree of risk to principal associated with each fund’s investment objective.

<u>Investment Fund</u>	<u>Capital Appreciation</u>	<u>Income</u>	<u>Risk of Principal</u>
Conservative Fund	Low	High	Low
Moderate Fund	Low	High	Moderate
Growth and Income Fund	Moderate	Moderate	Moderate
Capital Opportunities Fund	High	Low	High
Aggressive Growth Fund	High	Low	High

In addition to these five asset allocated funds, members can invest their Plan contributions in a stable value fund and several different mutual fund options. The Board of Pensions monitors the investment performance and overall fit of plan investment options and may periodically add or delete a fund choice. The mutual funds are primarily intended for those members with a greater understanding of investment allocation who wish to create their own portfolios. The investment options are listed in an attachment to this summary.

As indicated above, you can elect to invest all contributions made on your behalf to the Plan in one or more of these funds, in accordance with the Plan’s procedures for making this election.

You can call the Board of Pensions at 1-800-844-8983 or, if you are local, you can call 765-642-3880 for more detailed information on all of the investment choices.

In addition, you can get detailed information on all of the investment options available under this Plan at the Board of Pensions website at www.cogpension.org, including prospectuses for each investment option and information on investment performance returns, investment fees, and any transfer restrictions or redemption fees.

INVESTMENT CHOICE PROCEDURES

Incoming Contributions

All incoming contributions are invested in one or more of the investment options, which you may designate in any combination and in any percentage in increments of one percent (1%). There is no minimum amount that must be contributed to any option, as long as you invest at least 1% of your contributions in each fund you select.

To select investment options for incoming contributions, you must complete an election form which is available from the Board of Pensions. You may contact the Board of Pensions at 1-800-844-8983 or, if you are local, you can call 765-642-3880 and we will send this form to you. You can also obtain a copy of this form by going to the Board of Pensions website at www.cogpension.org.

If you do not file the appropriate election form with the Board of Pensions, all contributions made on your behalf will be invested in a default investment option selected by the Board of Pensions. The default investment option is the Conservative Fund.

You may change your investment options at any time without charge by logging into your account via the Board of Pensions website at www.cogpension.org. Any change in election made on the website will be effective for contributions posted on or after the date indicated within the online confirmation. No commissions or sales costs are charged on the different funds.

You may also change your investment option by filing a new election form with the Board of Pensions. Any change in investment of incoming contributions will be effective the Monday following receipt of the signed election form or as soon as is administratively feasible as determined by the Board of Pensions.

Transfers of Existing Accumulations Between Funds

You may elect to have the balance of your account transferred from any investment option to one or more other investment options offered by the Board of Pensions. To do so, select the “Account Login” link within the Board of Pensions website, www.cogpension.org, and, after accessing your account, click on the “Make Changes” tab and then the “transfer balances to different investment options?” link. Any change in election made online will be effective as of the date indicated within the online confirmation. In the alternative, you can complete a transfer form which is available from the Board of Pensions. You may contact the Board of Pensions at 1-800-844-8983 or, if you are local, you can call 765-642-3880. Investment transfers are effective the Monday following receipt of the signed transfer form or as soon as administratively feasible as determined by the Board of Pensions.

Although you are permitted to transfer all or a portion of your account between and among the investment options offered by the Board of Pensions, you can not transfer any amounts out of a Board of Pensions investment option to another investment option not offered by the Board of Pensions.

How to Choose Among Investment Options

Which of the investment options you choose depends on how you answer three different questions:

1. *How long will the money be invested? (What is your investment time horizon?)*
2. *How tolerant are you in seeing your account value decline in times when the markets have their inevitable pullbacks? (How tolerant are you of risk?)*
3. *How much money do you think you will need for retirement? (What is your investment goal?)*

The answers to these questions can vary widely. The right investment choice for one person may not be the right choice for you. For example, if your risk tolerance is low, or you have relatively modest investment goals, you may want to consider more conservative investment options. However, if your investment goals (in terms of income needed in retirement) are high, and you are not planning on retiring for a long time, you may want to invest more aggressively.

The Board of Pensions has developed some materials to assist you in planning your investment strategy. If you need more help in this area or if you would like to use these materials, you can call the Board of Pensions at 1-800-844-8983 or, if you are local, you can call 765-642-3880.

PAYMENT OF BENEFITS

Normal Retirement Benefits

You are entitled to a retirement distribution if you retire after 40 years of active service with the Church of God, or upon attaining age 60. You are also entitled to a retirement distribution upon attaining age 60, whether or not you are still employed by the Church of God.

Retirement benefit payments must begin by the calendar year following the year in which you retire from all paid service with the Church of God or the calendar year in which you reach age 70 ½, whichever occurs later.

In order to receive your benefits, you must file an election (on a form provided by the Board of Pensions) designating the manner and time of benefit payment. All benefit payments must be approved by the Board of Pensions.

What Determines the Amount of My Pension?

The monthly pension to which you are entitled will be based on the balance in your Account at the time your monthly pension commences. Your age and your spouse's age at the time of retirement and actuarial assumptions currently in effect will also affect the amount of the pension you will receive.

Retirement Payments Designated as Housing Allowance

If you are a retired minister of the gospel, 100 percent of your retirement benefit payments are designated as available for housing allowance, pursuant to Internal Revenue Service Rulings 71-280 and 75-22. However, the amount actually excludable as housing allowance cannot exceed:

- *The fair rental value of the furnished home plus the cost of utilities; or*
- *The actual expenses of operating a home; or*
- *The amount designated by the Board of Pensions as a housing allowance.*

In What Form Will My Pension Be Paid?

Five basic forms of pension payments are available under the Plan and are described below. You may elect the form that best meets your needs. If you select the joint life form of payment, the amount of each monthly payment will be less than it would have been under the single life form of payment as a result of the provision of potential survivor payments. You

must choose the form of pension payment before any retirement distribution is made to you. You cannot change the form of an annuity payment after pension distributions begin.

1. Joint and Survivor Annuity or Joint and Survivor Annuity with 10 Years Certain

This is an annuity with monthly payments for your life with a survivor annuity in an amount of either 50 or 100 percent of your life annuity paid to your surviving spouse over his or her lifetime. You must choose whether you want a 50 or 100 percent survivor annuity by completing an election form available from the Board of Pensions before you begin to receive your retirement benefits. In the alternative, you may select a joint and survivor annuity with 10 years certain, which guarantees payments will be made for at least 10 years. Under this type of annuity, you and your spouse will receive annuity payments for as long as you live. However, if both you and your spouse die before the 10 years are completed, annuity payments will continue for the remainder of the 10-year period to a beneficiary selected by you.

2. Single Life Form

If you are not married, or if you obtain the written consent of your spouse, you may select either a single life annuity or a single life annuity with 10 years certain. A single life annuity is a series of fixed payments paid monthly for as long as you live. A single life annuity with 10 years certain guarantees monthly payments will be made for at least 10 years. Under this annuity, you will receive monthly payments for as long as you live. However, if you die before the 10 years are completed, annuity payments will continue for the remainder of the 10-year period to a beneficiary selected by you.

3. Joint Life Form

If you have no surviving spouse, you may choose a joint and survivor annuity or a joint and survivor annuity with 10 years certain. The monthly annuity payments will be made to you for life with a survivor annuity paid to your designated beneficiary (instead of to a spouse). Your designated beneficiary must be related to you by blood or marriage.

4. Installment Form

This form of benefit is available to you if you are not married or if you obtain the written consent of your spouse to receive it. It provides you with installment payments for a designated number of years which you specify. However, federal regulations provide that you may not have payments made over a period that is longer than your life expectancy or the joint life expectancy of you and your designated beneficiary. These regulations also require that payments must begin under this form of benefit no later than the calendar year in which you retire from all paid service with the Church of God, or the calendar year in which you attain age 70½, whichever occurs later. The Board of Pensions will work with you to ensure that you comply with these regulations.

Any amount remaining in your account after you die will be paid in installments to your surviving spouse. If your spouse dies before all the installments have been paid, the balance will be paid in a lump sum to your spouse's designated beneficiary, or to his/her estate, if there is no designated beneficiary. If you do not have a surviving spouse, the balance will be paid in a lump sum to your designated beneficiary, or to your estate, if there is no designated beneficiary.

5. Lump Sum Form

If you are not married, or if you receive the written consent of your spouse, you may choose to receive payments from the Plan as a single distribution of the total value of your account or in partial lump sum distributions. You may request a lump sum payment of your account, or the initial payment of part of your account and payment of the remaining amount of your account in one of the other permitted forms of payment.

What Is The Difference In The Amount of Pension With The Different Forms of Payment?

Depending on which form of benefit you choose, you will receive a slightly different pension payment. For example, the monthly payment you will receive if you choose a joint and 100 percent survivor annuity will be less than the amount you will receive if you choose a joint and 50 percent survivor annuity. Also, if you select any of the annuity options with 10 years of certain payment, your payment will be less than if you chose the same option without having the 10 years of certain payment. You can contact the Board of Pensions at 1-800-844-8983 for more precise information about the different amounts you will receive under each of the various options.

Disability Retirement Benefits

If you become totally and permanently disabled before you reach age 60, you may apply for disability retirement benefits. Total and presumably permanent disability means that you are 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. Your benefit will be calculated based on the total amount in your account at the time you make a claim for benefits. You may elect the same forms of benefit payments available as if you were receiving normal retirement benefits.

If you recover and are no longer totally and permanently disabled and you have not yet reached age 60, your disability payments under this Plan will terminate when you resume employment. You will then not be entitled to further benefits under this Plan until such time as you reach age 60 or complete 40 years of active service with the Church of God. At that time, you will be eligible for normal retirement benefits. However, an actuarial adjustment will be made to your account to reflect the prior disability retirement distributions.

Pre-Retirement Death Benefits

If you die prior to the time you receive payment of any of your retirement benefits or disability benefits under this Plan, your surviving spouse will be entitled to elect to receive the balance of your account in the form of a single life annuity, a single life annuity with 10 years certain, installment payments, or a single or partial lump sum distribution. Your spouse may choose to postpone beginning to receive payments under any payment option until April 1 of the year following the year in which you would have turned 70½.

If you die prior to the time you receive payment of any of your retirement benefits or disability benefits under this Plan, and you have no surviving spouse, your account balance will be paid in a lump sum distribution to your beneficiary, or to your estate if there is no beneficiary designated. To designate a beneficiary, you must complete the appropriate forms provided by the Board of Pensions. If you have not designated a beneficiary, the lump sum distribution will be made to your estate.

Cash-Out of Small Accounts

The Board of Pensions may, in its discretion, make a lump sum benefit payment to you if you separate from service with the Church and if the balance in your account is less than \$5,000.

WITHDRAWALS AND TRANSFERS OF INTEREST

Hardship Withdrawals

You may elect to receive a distribution of part of your account in the event of hardship. Any request for a hardship distribution must be filed with the Board of Pensions in the time and manner prescribed by the Board of Pensions. The circumstances under which the Board of Pensions is allowed to provide hardship distributions is limited by federal law.

You may apply for a hardship distribution of all or a portion of your After-Tax Contributions Account plus up to 50% of your remaining account balance, not including any earnings. Hardship distributions are taken first from your After-Tax Contributions Account. A hardship distribution will be made only if the Board of Pensions determines that you have an immediate and heavy financial need, and only to the extent that the distribution is necessary to satisfy that need.

An immediate and heavy financial need includes:

- *uninsured medical expenses incurred by you, your spouse or your dependents;*
- *the purchase (excluding mortgage payments) of a principal residence;*
- *tuition payments for the next 12 months of post-secondary education for you, your spouse, or your children or dependents;*
- *the need to prevent your eviction from your principal residence or foreclosure on the mortgage on your principal residence;*
- *payment of funeral or burial expenses for your spouse, your children, or other dependents; or*
- *payment for expenses for the repair of damage to your home caused by catastrophic events, such as floods, hurricanes or tornados.*

A distribution necessary to satisfy an immediate and heavy financial need must meet the following requirements.

- *It cannot be in excess of the amount of the immediate and heavy financial need;*
- *You must have obtained all distributions, other than hardship distributions and all nontaxable loans available under this Plan and all other plans maintained by your employer, if any; and*

- *You will not be allowed to make Member Before-Tax Contributions under this Plan nor will you be permitted to make any elective contributions or employee contributions to any other 403(b) plan or other plan offered by your employer (excluding health or welfare benefit plans or the mandatory employee contribution portion of any defined benefit plan, if any) for at least 6 months after receiving any hardship distribution.*

Age 60 and 40-Year Service Withdrawals

If you are at least 60 years old, or you have completed 40 years of active service with the Church of God, you may apply for a withdrawal of all or a portion of your account, subject to rules that are established by the Board of Pensions. If you are married, you must receive written consent from your spouse before a withdrawal will be made. If you wish to make this type of withdrawal, you should complete the necessary form provided by the Board of Pensions.

After-Tax Withdrawal Benefits

If you terminate employment with the Church of God, you may elect to be paid all or part of your Member After-Tax Contributions and the earnings attributable to these contributions, even if you are not otherwise eligible to receive retirement benefits under this Plan. If you are married, your spouse must consent in writing to any such withdrawal.

Protected TDS Rights

If you have an account balance in this Plan that was attributable to contributions made prior to January 1, 1998 to the TDS Plan, a distribution of this portion of your plan account will be made after you reach age 59½, become disabled, separate from service, or die. You may receive such distributions in any of the forms of payments available under the normal retirement benefits under the Plan. You may also withdraw at any time an amount equal to your account balance in the TDS Plan as of December 31, 1988. In addition, in the event of hardship, you may receive 100% of your pre-1998 TDS account balance, excluding any earnings added after 1988.

Direct Rollovers and Mandatory Withholding

If you are entitled to receive a distribution under the Plan 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 eligible retirement plan or into an IRA. An eligible rollover distribution, in general, is any taxable cash distribution in excess of \$200 other than a series of substantially equal payments payable over a period of not less than ten years, or for the life or life expectancy of the employee (or the joint lives or life expectancies of the employee and the employee’s designated beneficiary). The distribution will be subject to a 20% federal withholding tax unless it’s rolled over directly into another eligible retirement plan or IRA.

If you have the distribution paid directly to you, then the plan must withhold 20% even if you intend to roll over the money into another retirement plan or into an IRA within 60 days. To avoid withholding, you must instruct the Board of Pensions to roll over the money for you directly.

In addition to IRAs, the following plans are "eligible retirement plans" which can accept a rollover from this Plan:

- *Another 403(b) plan; or*
- *A qualified 401(a) plan (including a 401(k) plan); or*
- *A governmental 457(b) plan.*

Please contact the Board of Pensions if you would like further information about the types of plans to which you can roll over your distributions.

C LAIMS PROCEDURE

When you retire, you need to file an application for retirement benefits in order to receive benefits from the Plan. You can call the Board of Pensions at 1-800-844-8983 or, if you are local, you can call 765-642-3880 to receive a copy of this application.

From time to time you may have questions about your claims for benefits. The Board of Pensions will try to answer your questions on an informal basis. However, if you continue to have concerns, you may file a formal claim for benefits in writing with the Board of Pensions.

If a claim for benefits is wholly or partially denied, the Board of Pensions may provide you with a written notice of the denial within 90 days. This notice will include:

- *the specific reasons for the denial;*
- *references to the provisions in the Plan upon which the denial is based;*
- *a description of any additional information needed to complete the claim along with an explanation for why such information is necessary; and*
- *an explanation of the Plan's claim procedure.*

You have 60 days from the receipt of a notice of denial in which to submit a written request for review by the Board of Pensions.

The Board of Pensions will provide you with a written decision on the review within 60 days after receiving your request for review. This decision will include the specific reasons for the decision. All decisions and denials of claims by the Board of Pensions shall be afforded the maximum deference permitted by law.

ADMINISTRATIVE PROVISIONS

Limitation of Liability

When you decide to receive your plan benefits in the form of an annuity, the Board of Pensions will set aside funds to back up payments under that annuity. The Board of Pensions invests these reserve funds to ensure that there will be sufficient funds to pay for your monthly annuity. These life-long annuity payments are backed by the Board of Pensions claims-paying ability, but can only be made to the extent there are assets sufficient to provide for payment. In addition, the Board of Pensions is not liable for the failure of any congregation or other Church of God employer to permit you to participate or to enroll you in this Plan.

Amendment and Termination

While it is expected that this Plan will continue indefinitely, the Board of Pensions may modify, amend or terminate the Plan at any time subject to the approval of the General Assembly of the Church of God before such changes become effective. In addition, your employer has the right to terminate its participation in the Plan. If the Plan is terminated, the Board of Pensions has the right, in its sole discretion, to administer the amounts maintained in accounts of affected Members to pay benefits to or on behalf of affected Members in accordance with applicable provisions of the Plan or to decide to pay all benefits to which you are entitled under this Plan in the form of a lump sum.

Responsibilities of Parties

The Board of Pensions shall be responsible for all matters relating to the administration and management of the Plan with respect to contributions that it receives. The Board of Pensions is not responsible for any matters relating to the administration and management of any other 403(b) plan or arrangement to which your employer permits you to make contributions.

Notification of Mailing Address

It is very important for you to keep the Board of Pensions informed of your current address and the current address of any beneficiaries you may designate under the Plan. When you or a beneficiary become entitled to benefits, the Board of Pensions will contact you or the beneficiary. If the Board of Pensions does not have your current address, it will try to locate you. However, the Board is not under any obligation to search for you or ascertain the whereabouts of you or your beneficiaries. Therefore, you should be sure to provide the Board of Pensions, in writing, with any change of the post office address for you or any beneficiary. Any check representing any payment due under this Plan, and any communication forwarded to you at the last known address as indicated by the records of the Board of Pensions, shall constitute adequate payment to you and shall be binding on you for

all purposes of the Plan. This notification requirement applies in all respects to any of your beneficiaries who may be entitled to benefits under this Plan.

NOTICE TO PARTICIPANTS

The National Securities Markets Improvement Act (the “Act”) signed into law on October 11, 1996 exempts church plans from federal and state securities laws, except for anti-fraud provisions. In order to qualify for the exemption, church plans must satisfy eligibility requirements under section 414(e) of the Internal Revenue Code, and the assets of church plans must be used exclusively for the benefit of plan participants and beneficiaries. Church plans continue to be subject to the Internal Revenue Code and its regulations regarding eligibility, governance, and operations of such plans. The following notice is provided in accordance with the Act:

The Plan or any company or account maintained to manage or hold assets of the Plan and interests in such Plan, companies, or accounts (including any funds maintained by the Board of Pensions of the Church of God) are not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code, or State securities laws. Therefore, plan participants and beneficiaries will not be afforded the protections of those provisions.

DEFINITION OF TERMS USED IN THIS PLAN SUMMARY

Account	The bookkeeping account or accounts established for the purpose of separately accounting for contributions made to the Plan on behalf of each Member.
Board or Board of Pensions	The Board of Pensions of the Church of God. The Board is the administrator for this Plan.
Employer Contributions	Contributions made by a Church of God congregation (or other employer approved by the Board of Pensions) to the Plan.
Member After-Tax Contributions	Contributions you choose to make to the Plan on an “after tax” basis. (Essential information on Member After-Tax Contributions is provided on page 6 of this Plan Summary.)
Member Before-Tax Contributions	Contributions you choose to make to the Plan on a “before tax” basis by way of a salary reduction agreement. (Essential information on Member Before-Tax Contributions is provided on page 6 of this Plan Summary.)
Plan	The Church of God Retirement Plan. The term “Plan” as used in this summary refers to the retirement income account program maintained and administered by the Church of God Board of Pensions. The term “Plan” does not include any other 403(b) plans or arrangements that your employer may sponsor.
Rollover Contributions	A contribution made by you to this Plan after you have received a distribution from another eligible retirement plan. (Essential information on Rollover Contributions is provided on page 6 of this Plan Summary.)
TDS Plan	The Church of God Tax-Deferred Supplement Plan. The TDS Plan was merged into this Plan effective January 1, 1998.
Transfer Contributions	A contribution made to this Plan by way of a transfer directly from another 403(b) provider, without the transferred amount having been first distributed to you. (Essential information on Transfer Contributions is provided on page 6 of this Plan Summary.)

Attachment: Investment Options

The five “asset allocated” investment funds are:

Conservative Fund: Participants with an investment time horizon of 3 years or less or who need preservation of principal more than growth.	20% Stocks / 80% Bonds
Moderate Fund: Participants with an investment time horizon of 3-5 years or who desire a moderate growth rate in principal yet still desire a high level of current income.	40% Stocks / 60% Bonds
Growth and Income Fund: Participants with an investment time horizon of 5-10 years or who desire an above average growth rate in principal and a moderate level of current income.	60% Stocks / 40% Bonds
Capital Opportunities Fund: Participants with an investment time over 10 years or who desire high capital growth appreciation with little current income, while recognizing the possibility for substantial year-to-year fluctuations.	80% Stocks / 20% Bonds
Aggressive Growth Fund: Participants with an investment time over 10 years or who desire high capital appreciation, while recognizing the possibility for high year-to-year fluctuations.	100% Stocks

In addition to these five asset allocated funds, members can invest contributions in one stable value fund and sixteen different mutual fund options.

Principal Fixed Income Option - non-401(a): The Principal Fixed Income Option will return a fixed interest rate while preserving the principal investment. The interest rate is fixed for six months at a time.	Institutional Fund – no public symbol Stable Value Fund
PIMCO Real Return Bond: The Fund seeks its investment objective by investing under normal circumstances at least 80% of its net assets in inflation-indexed bonds of varying maturities issued by the U.S. and non-U.S. governments, their agencies or instrumentalities, and corporations, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. Assets not invested in inflation-indexed bonds may be invested in other types of Fixed Income Instruments. Inflation-indexed bonds are fixed income securities that are structured to provide protection against inflation. The Fund invests primarily in investment grade securities, but may invest up to 10% of its total assets in high yield securities. The Fund also may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar denominated securities of foreign issuers. The Fund may invest up to 10% of its total assets in securities and instruments that are economically tied to emerging market countries. The Fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets. The Fund is non-diversified, which means that it may invest its assets in a smaller number of issuers than a diversified fund.	Trading Symbol – PRRRX Treasury Inflation Protected Securities (TIPS)

<p>PIMCO Investment Grade Corporate Bonds: The Fund seeks to achieve its investment objective by investing under normal circumstances at least 80% of its assets in a diversified portfolio of investment grade corporate fixed income securities of varying maturities, which may be represented by forwards or derivatives such as options, futures contracts or swap agreements. The Fund invests primarily in investment grade debt securities, but may invest up to 10% of its total assets in high yield securities. The Fund may invest up to 30% of its total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers. The Fund may invest up to 15% of its total assets in securities and instruments that are economically tied to emerging market countries. The Fund will normally limit its foreign currency exposure (from non-U.S. dollar-denominated securities or currencies) to 20% of its total assets.</p>	<p>Trading Symbol – PGCAX Intermediate Term Bond</p>
<p>PIMCO Total Return Bond: PIMCO Total Return Fund seeks total return consistent with preservation of capital. The fund invests at least 65% of assets in debt securities, including U.S. government securities, corporate bonds, mortgage-related securities, and futures contracts. The portfolio duration generally ranges from three to six years.</p>	<p>Trading symbol – PTRRX Intermediate Term Bond</p>
<p>Principal S&P 500 Index: The fund normally invests at least 80% of assets in common stocks of companies that compose the S&P 500 Index. It tries to mirror the investment performance of the index by allocating assets in approximately the same weightings.</p>	<p>Trading symbol - PLFPX Large Cap Blend</p>
<p>Steward Large Cap Enhanced Index Fund: The Fund employs a 3-step process that combines large cap style allocation with cultural values screening policies: 1) Determine the percent of assets allocated to growth and value investment styles, 2) Screen the allocation in accordance with the Fund's cultural values policies, and 3) Construct a risk-controlled portfolio that is designed to track the targeted style allocation.</p>	<p>Trading symbol – SEEKX Large Cap Blend</p>
<p>Allianz NFJ Dividend Value: The fund normally invests at least 80% of net assets in equity securities that pay or are expected to pay dividends. It may also invest a portion of assets in non-US securities, including emerging market securities.</p>	<p>Trading symbol – PNERX Large Cap Value</p>
<p>Invesco Van Kampen Growth and Income: This Fund’s investment objective is to seek income and long-term growth of capital. The Fund’s investment adviser seeks to achieve the Fund’s investment objective by investing primarily in a portfolio of income-producing equity securities, including common stocks and convertible securities. The Fund may invest up to 25% of its total assets in securities of foreign issuers. The Fund may invest up to 15% of its total assets in real estate investment trusts (“REITs”)</p>	<p>Trading Symbol – ACGIX Large Cap Value</p>
<p>Prudential Jennison Growth: This Fund’s investment objective is long-term growth of capital. The fund seeks investments whose price will increase over the long term and normally invest at least 65% of its total assets in equity and equity-related securities of companies that exceed \$1 billion in market capitalization.</p>	<p>Trading Symbol – PJFCX Large Cap Growth</p>
<p>American Funds - Growth Fund of America: This fund seeks capital growth and invests primarily in common stocks. Management selects securities that it believes are reasonably priced and represents solid long-term investment opportunities.</p>	<p>Trading symbol – RGAAX Large Cap Growth</p>

<p>Allianz NFJ Small Cap Value: The Fund seeks to achieve its investment objective by normally investing at least 80% of its net assets in common stocks and other equity securities of companies with smaller market capitalizations. The portfolio managers use a value investing style focusing on companies whose securities the portfolio managers believe have low valuations. In addition to common stocks and other equity securities the Fund may invest in real estate investment trusts (REITs) and non-U.S. securities, including emerging market securities.</p>	<p>Trading Symbol – PCVAX Small Cap Value</p>
<p>Royce Value Plus: This Fund’s investment goal is long-term growth of capital. Normally, the Fund invests at least 80% of its net assets in equity securities of micro-, small- and/or mid-cap companies. Fund’s investment adviser invests the Fund’s assets primarily in the equity securities of companies that it believes are trading significantly below its estimate of their current worth. Although the Fund normally focuses on the securities of U.S. companies, it may invest up to 25% of its net assets in foreign securities.</p>	<p>Trading Symbol – RYVPX Small Cap Growth</p>
<p>Principal Real Estate Securities: The fund normally invests at least 80% of net assets in equity securities of companies principally engaged in the real estate industry. It may invest up to 35% of assets in securities of foreign real estate companies.</p>	<p>Trading symbol – PRERX Mid Cap Value</p>
<p>Prudential Jennison Natural Resources: The investment objective of the Fund is long-term growth of capital. The Fund normally invests at least 80% of investable assets in equity and equity-related securities of natural resource companies and in asset-based securities. Natural resource companies are U.S. and foreign (non-U.S. based) companies that own, explore, mine, process or otherwise develop, or provide goods and services with respect to, natural resources. Asset-based securities are securities, the values of which are related to the market value of a natural resource.</p>	<p>Trading Symbol – PGNAX Natural Resources</p>
<p>Artio International Equity II A: The Artio International Equity Fund II seeks long-term growth of capital by investing in a wide variety of international equity securities issued throughout the world, normally excluding the U.S. Companies with above average earnings potential and that are dominant within their industry are considered.</p>	<p>Trading symbol – JETAX International Large Cap Blend</p>
<p>American Funds - Europacific Growth: The fund seeks capital appreciation and invests primarily in equities of companies located outside of the United States. This fundamental approach is blended with macroeconomic and political judgments on the outlook for economies, industries, currencies, and markets.</p>	<p>Trading symbol – RERAX International Large Cap Blend</p>
<p>Principal International Emerging Markets: The Fund seeks to achieve its objective by investing in common stocks of companies in emerging market countries. Under normal conditions, at least 80% of the Fund’s net assets are invested in emerging market country equity securities. For this Fund, the term “emerging market country” means any country which is considered to be an emerging country by the international financial community. Investing in many emerging market countries is not feasible or may involve unacceptable political risk. The fund focuses on those emerging market countries that it believes have strongly developing economies and markets, which are becoming more sophisticated.</p>	<p>Trading Symbol – PEAPX International Developing Markets</p>