



The Pension Boards  
United Church of Christ

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Greetings to you, and Peace.

In light of the announced intention of some churches to withdraw from the United Church of Christ, the Pension Boards has been asked about its policies regarding employee benefits for clergy and lay employees serving those churches.

The core mission of the Pension Boards is to serve the people who serve the UCC. That mission does not change. All employees of UCC churches and related organizations and all clergy with standing in an Association or Conference of the United Church of Christ are eligible to participate in the employee benefits programs administered by the Pension Boards.

When a church withdraws from its covenantal relationship, and that covenantal relationship is also released by the Association, it is no longer considered a UCC employer and the employees' eligibility for Pension Boards benefits change. For some benefits, a time of transition is allowed, so that employees are not immediately cut off from their benefits.

Clergy and Associations/Conferences, however, might continue their Covenants (and the minister retain her/his ministerial standing) even if the church's Covenant is released. In these circumstances, clergy would continue participating in the employee benefits plans administered by the Pension Boards in the same manner as they had prior to the church's withdrawal.

We have enclosed a Fact Sheet about benefits for employees of withdrawing churches, and commend it to you for further study. As always, questions about specific situations may be presented to Member Services, at **800.642.6543, Option 6.**

While the covenantal relationships among Associations, Conferences and UCC employers ultimately determine who may be considered a church employee, please be assured that your Pension Boards will continue to serve those who serve the church.

Sincerely,

Joan M. Roguski  
Director, Member Services

**PBUCC Benefit Eligibility  
for Employees of a Church that Votes to Withdraw from the UCC  
and is Released by the Association from Its Covenant**

**1. Active Lay Employees**

Annuity Fund, Medical, Dental, and Life and Disability Income (LIDI) coverage may continue for 90 days following the church's release from its Covenant, provided that premiums and dues are paid. Optional life insurance coverage may continue as long as premiums are paid. The employee has a non-forfeitable right to his/her benefits from the Annuity Fund.

If the member is **age 55 or older**, the member may elect to begin his/her retirement benefits.

If the member is **younger than 55**, the member may withdraw his/her own contributions to the Annuity Fund that are in excess of the standard 14% contribution rate. If the resulting account balance after withdrawal of the member's contributions is less than \$10,000 the member may withdraw the entire account. If the resulting account balance after withdrawal is \$10,000 or greater, the member's account will remain in the Annuity Fund until the member is eligible to begin retirement benefits. The member retains the right to reallocate remaining monies among the various investment funds.

If the former lay employee is later employed by a UCC entity, he/she must reinstate participation in the Medical and LIDI plans within 90 days of reemployment in order to obtain coverage without evidence of good health.

**2. Active Clergy**

Eligibility for PBUCC benefits depends on the minister's standing with a UCC Association/Conference and his/her employment with a church, as described in the three scenarios below.

- a. Minister retains standing with UCC Association/Conference and retains employment with released church (or is employed by another church)**

Eligibility in all PBUCC benefits continues as before, provided that premiums and dues are paid – either by the minister or the church.

**b. Minister does not retain standing with UCC Association/Conference**

Annuity Fund, Medical, Dental, Life and Disability Income (LIDI) may continue for 90 days following the minister's loss of standing, provided that premiums and dues are paid. Optional life insurance coverage may continue as long as premiums are paid. The minister has a non-forfeitable right to his/her benefits from the Annuity Fund.

If the minister is **age 55 or older**, he/she may begin receiving retirement benefits.

If the minister is **younger than age 55**, the minister may withdraw his/her own contributions to the Annuity Fund that are in excess of the standard 14% contribution rate. If the resulting account balance after withdrawal of the minister's contributions is less than \$10,000 the minister may withdraw the entire account. If the resulting account balance after withdrawal is \$10,000 or greater, the minister's account will remain in the Annuity Fund until the minister is eligible to begin retirement benefits. The minister retains the right to reallocate remaining monies among the various investment funds.

If the minister's loss of standing occurs within 5 years of the effective date of his/her membership in the Annuity Fund and the minister secures ministerial standing in another religious body having a related pension fund, the minister may request a transfer of his/her account balance to that fund. Such pension fund must be willing to accept the transfer and to assure the Annuity Fund – UCC that it will treat the monies as vested on behalf of the member, payable in the same form as the member would have received from the Annuity Fund.

**c. Minister retains standing with UCC Association/Conference and is not employed by a UCC employer, but is seeking a position with a UCC employer**

Medical and Dental coverage may continue for 24 months following the minister's termination of employment, provided the minister pays the premiums. Participation in the basic life insurance program may continue for 12 months following the minister's termination of employment, provided the minister pays the premiums. Optional life insurance coverage may continue as long as premiums are paid. The minister has a non-forfeitable right to his/her benefits from the Annuity Fund.

If the minister does not obtain a position with a UCC employer, and if the minister is **age 55 or older**, he/she may begin receiving retirement benefits.

If the minister is **younger than age 55**, his/her account balance will remain in the Annuity Fund until the member is eligible to begin retirement benefits. The member retains the right to reallocate remaining monies among the various investment funds.

If the minister is later employed by a UCC employer, he/she must reinstate participation in the Medical and LIDI plans within 90 days of reemployment in order to obtain coverage without evidence of good health.

### **3. Inactive or Retired Members (Lay or Clergy)**

There is no change in benefit eligibility for members who are inactive or retired at the time their church withdraws from the UCC.