



Wespath

BENEFITS | INVESTMENTS



SUMMARY PLAN DESCRIPTION

Puerto Rico Personal Investment Plan

a general agency of The United Methodist Church

If you have any questions, please contact
Wespath,
1901 Chestnut Avenue, Glenview, Illinois 60025-1604.
You may call us at **1-800-851-2201** between 8:00 a.m. and 6:00 p.m.,
Central time, Monday through Friday,
or visit wespath.org

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IMPORTANT INFORMATION

This booklet is a Summary Plan Description (SPD), which provides information regarding the Puerto Rico Personal Investment Plan (PRPIP).

You will notice that some words used in this SPD begin with capital letters. These words have special meanings and are addressed in a glossary at the end of this SPD to assist you in better understanding your benefits. Please keep in mind as you read this SPD that it is a summary of PRPIP's main features and not a detailed description of all provisions. The complete details of PRPIP can be found in the official PRPIP plan document, which is available to you upon request. You can always access the most current version of the SPD on the Wespath website at wspath.org.

As Plan Sponsor, the Puerto Rico Methodist Church has elected certain PRPIP options, such as type and amount of contributions and a vesting schedule. Wespath has prepared a document, *PRPIP and You*, that reflects the choices of your Plan Sponsor. To fully understand your benefits, please read this SPD along with *PRPIP and You*.

This SPD describes the terms and conditions of PRPIP and is based on the plan document, effective January 1, 2011. Every attempt has been made to accurately summarize these terms and conditions; however, if there are any discrepancies between this SPD and the plan document, the PRPIP plan document will govern at all times. The plan document constitutes the legal embodiment of the terms and conditions of PRPIP, which is subject to amendment or termination as provided therein.

Similarly, if there are any discrepancies between *PRPIP and You* and the Puerto Rico Methodist Church's Adoption Agreement, the Adoption Agreement will govern at all times. Nothing contained in this SPD is intended to be nor will be construed as constituting a contract of employment with any Employee or Participant or a contract or other arrangement between Wespath or Trustee and the Puerto Rico Methodist Church, Participant or any other person.

Furthermore, Wespath may change the statements made in this SPD at any time. All distributions, in-service loans and withdrawals are subject to rules adopted by Wespath as the administrator of PRPIP and may require the submission of forms. Moreover, Wespath has the authority to interpret the provisions of PRPIP and the SPD, to develop administrative rules and procedures and to resolve or otherwise decide matters not specifically covered by the terms and conditions of PRPIP. Wespath and the Puerto Rico Methodist Church have additional powers and duties; please contact Wespath for more information. You may request the plan document at any time.

INTRODUCTION

Before you begin reading this SPD, please check to make sure you have the *PRPIP and You* summary sheet, which outlines the specific provisions the Puerto Rico Methodist Church has elected, such as contribution rates.

This plan summary explains the provisions of PRPIP, which is designed to provide retirement benefits for eligible Clergy and lay employees serving The Puerto Rico Methodist Church. Keep in mind that PRPIP is only one part of your retirement picture. Your personal savings and investments could add another layer of retirement income.

PRPIP consists of both Participant Contributions and Plan Sponsor Contributions, if any, made on your behalf.

Here are some highlights of how PRPIP works: Participant Contributions can be made on either a before-tax or after-tax basis.

You can save a percentage of your Compensation on a before-tax basis. Before-Tax Contributions are withheld from your Compensation before your income taxes are withheld. This lowers your taxable income and, in turn, lowers your current taxes. (Remember, you may owe income taxes on distributions from PRPIP in the future.)

You can also save a percentage of your Compensation on an after-tax basis. This means that your Contributions to PRPIP have already been taxed. You will not owe income tax on these Contributions when they are distributed to you. However, you may owe taxes on the earnings on your Account when you take a distribution.

The Puerto Rico Methodist Church may also make Plan Sponsor Contributions to PRPIP on your behalf. See *PRPIP and You* to determine whether the Puerto Rico Methodist Church makes Plan Sponsor Contributions.

You decide how to invest your Contributions. PRPIP offers a variety of investment fund options, each with a history of competitive returns and annual fund operating expenses that are below the median compared to mutual funds with similar investments*. All of the investment funds adhere to Wespath's sustainable investment guidelines, directed by the *Social Principles* of The United Methodist Church as outlined in *The Book of Discipline*.

You are immediately 100% vested in your Participant Contributions. Plan Sponsor Contributions, if any, may be subject to a vesting schedule. (See *PRPIP and You* for specific details.)

PRPIP is designed to provide retirement income. Generally, you can receive a distribution from your Account upon your Retirement, Termination of Employment or disability.

In addition, PRPIP allows you to withdraw or borrow money from your Participant Contribution Account if you have an approved financial hardship or to withdraw money from your Participant Contribution Account if you are age 59½ or older.

You may roll over accounts from your other Puerto Rico qualified retirement plans under Puerto Rico Internal Revenue Code (Code) sections 1081.01(a) and (d) to your Rollover Account in PRPIP and elect to receive withdrawals from your Rollover Account at any time. Under applicable Puerto Rico law if you wish to roll a distribution over to another plan, 100% of the distribution (except after-tax contributions) must be rolled over.

You may not roll a portion and take a distribution of a portion.

Upon your death, your Account is available to your Beneficiary.

To make good decisions and take full advantage of PRPIP features, you should understand how PRPIP works. The best way to start is to read this SPD and *PRPIP and You*.

Questions? For additional information regarding PRPIP or the other plans administered by Wespath, or investments and financial planning, please visit wespath.org. For information about your Account, you have 24 hour, seven days a week access through Benefits Access at benefitsaccess.org. You can also call and speak with a customer service representative at **1-800-851-2201** Monday through Friday between 8:00 a.m. and 6:00 p.m., Central time.

For specific information regarding the Puerto Rico Methodist Church's elections for PRPIP, you may want to contact your Plan Sponsor directly. Throughout this document, we will refer you to Benefits Access or Wespath if you want more information about your Account or you have questions about the content of this SPD.

* *Historical returns are not indicative of future results.*

ELIGIBILITY AND ENROLLMENT

You must be an Employee of the Puerto Rico Methodist Church or a Clergy person appointed to the Puerto Rico Methodist Church and not a leased employee to participate. In addition, you must live in Puerto Rico, receive Compensation and have entered into a Salary-Reduction Agreement or have been automatically enrolled by the Puerto Rico Methodist Church if such enrollment was elected in the Adoption Agreement. (See the “Automatic Enrollment” section on page 12.)

If you are eligible to enroll in PRPIP, you are immediately eligible to make Participant Contributions and rollovers to PRPIP. Note that your Plan Sponsor may have elected additional requirements that you must meet to receive Plan Sponsor Contributions. (See the “Plan Sponsor Contributions” section on page 13.)

Enrollment

Before any Participant Contributions can be deducted from your paycheck and before any Plan Sponsor Contributions made on your behalf can be accepted, your Plan Sponsor must submit a completed *Enrollment Form* to Wespath. Once you are enrolled in PRPIP, your Plan Sponsor will begin contributing to your Account at the next entry date. Your entry date will be:

Participant Contribution Account: the date you designate for deductions to begin from your Compensation for either After-Tax or Before-Tax Contributions; and/or

Plan Sponsor Contribution Account: a) the first day of the month after you satisfy requirements for Plan Sponsor Contributions; or b) the earlier of the next January 1 or July 1, whichever your Plan Sponsor elected.

Important Enrollment Forms

When you are eligible to participate, it is important that you complete the following forms.

<i>Before-Tax and After-Tax Contribution Agreement</i>	Use this form to tell your Employer or Salary-Paying Unit if you elect to make Participant Contributions to PRPIP. You can change your contribution amount or cease making contributions at any time in the future. (Please see the “Participant Contributions” section on page 11.)
<i>Investment Election Form</i>	Use this form to inform Wespath how you want to invest your Contributions. You can change investments at any time in the future. (Please see the “Investment of your Accounts” section on page 18.)
<i>Designation of Beneficiary for Retirement and Welfare Plans form</i>	Use this form to inform Wespath whom you wish to designate as your Beneficiary for your Account upon your death. You can change your Beneficiary at any time in the future. (Please see the “Beneficiary Designation” section on page 8.)

Election Not to Participate

You may choose not to participate in PRPIP by informing your Plan Sponsor and completing a *Waiver of Participation* form. You can waive participation for any future period, but the waiver affects both Participant and Plan Sponsor Contributions. You may not waive just one or the other. When you waive participation, you are not eligible for, nor entitled to, any Participant or Plan Sponsor Contributions for the period during which you waived; thus, your Plan Sponsor will not remit Contributions to Wespath on your behalf. You may revoke your waiver of PRPIP participation at any time while you are eligible for participation, but your Plan Sponsor will not remit Contributions for the period during which you waived participation.

PRPIP is a way for you to prepare for retirement through tax-favored personal savings. Wespath suggests that you seek financial advice if you are thinking about waiving participation in PRPIP.

BENEFICIARY DESIGNATION

Your Beneficiary is the person or persons to whom Wespath will pay your PRPIP Account if you die before receiving a distribution of your entire Account. Your Beneficiary will also receive your Account if Wespath or Plan Sponsor cannot locate you when you must begin receiving a distribution from your Account. (Please see the “Distribution of Your Accounts” section on page 23.)

Wespath has sole discretion in determining the Beneficiary of any Accounts payable under the terms and contributions of PRPIP.

You may designate a Beneficiary by logging into your account at benefitsaccess.org. If you are not able to go online, you may submit a completed *Beneficiary Designation* form to Wespath. If you are married at your death, your primary Beneficiary is your Spouse unless your Spouse consents or consented to the designation of someone else. If you are not married at your death and you did not designate a Beneficiary or your designated Beneficiaries are all deceased or cannot be located, then Wespath will pay your Account to your estate as your default Beneficiary. If you want to direct payment to someone in addition to or instead of your Spouse or estate, it is important that you designate a Beneficiary. In order to be valid, beneficiary designations must be received by Wespath during your lifetime.

If you also have a Personal Investment Plan (PIP) account balance, your beneficiary designation will apply to both to both PIP and PRPIP.

If your Beneficiary does not immediately elect to receive a distribution, he or she may designate his or her own Beneficiary. If he or she does not designate a Beneficiary, Wespath will pay the Account to your Beneficiary’s spouse or estate at your Beneficiary’s death.

Married Participants

If you are married, you may designate someone in addition to or in place of your Spouse, but your Spouse must consent to the designation as instructed on the Beneficiary Designation Form. If your Spouse does not consent and you die married, your designation will not be effective unless one of the following exceptions applies: you submitted a valid form before January 1, 1993, when Spousal consent was not required (and you did not submit a subsequent form or receive subsequent notification from Wespath that spousal consent is now required);

you are legally separated from or abandoned by your Spouse at your death and you (or your successors) produce a court order confirming such separation or abandonment;

your Spouse Disclaims all benefits from your Account in writing before receiving them;

your Spouse cannot be located when you are required to receive a distribution; or

you have a qualified domestic relations order (QDRO) requiring all or a portion of your benefits to be paid to an Alternate Payee under the QDRO. (Please see the “Assignment of Benefits and Qualified Domestic Relations Orders” section on page 32.)

If you and your Spouse divorce on or after January 1, 1998, any Beneficiary designation you made before the divorce in favor of your former Spouse is automatically revoked. Your former Spouse is no longer your Beneficiary unless: the Administrator receives and approves a QDRO that requires PRPIP to pay benefits to your former Spouse; or you designated your former Spouse as your Beneficiary in Benefits Access or on a Beneficiary Designation Form with Wespath after your divorce.

If you and your Spouse divorce before 1998, any CPBF, Ministerial Pension Plan (MPP) or Staff Retirement Benefits Program (SRBP) Beneficiary designation you made before January 1, 1998 in favor of your former Spouse will remain in place unless you file or filed a new Beneficiary Designation Form with Wespath after January 1, 1998 or after your divorce.

Designation Procedures

You may designate one or more individuals, trusts or other legal entities as your Beneficiary subject to Spousal consent (see the before mentioned "Married Participants" section). Each designated Beneficiary will receive an equal share, per capita, unless you clearly specify otherwise on the Beneficiary Designation Form. Also, you may designate a primary and a secondary Beneficiary. If your primary Beneficiary is not validly designated, is not alive at your death or disappearance or cannot be located after your death or disappearance, your other primary Beneficiaries, if any, or secondary Beneficiary may receive your Account. Wespath will determine, in its sole discretion, the Beneficiary of your Account pursuant to the terms and conditions of PRPIP.

You may designate beneficiaries by logging onto benefitsaccess.org. If you cannot access your account online, you may request the Beneficiary Designation Form from your Plan Sponsor or Wespath. After completing the form, please sign it and return the original to Wespath. Your Beneficiary Designation Form is effective only if it is received by Wespath during your lifetime or if the form is postmarked or sent by private courier (such as FedEx or the United Parcel Service) to Wespath before your death. Wespath will send a letter confirming receipt and acceptance of your completed Beneficiary Designation Form to you. The most current election made online or on a Beneficiary Designation Form will revoke all previous elections once Wespath accepts it as valid.

It is a good idea to keep a copy of the form you submitted and check it periodically (especially after a birth, death, marriage or divorce) to make sure that it still represents your wishes. If you elect to make a change, you must submit a new form to Wespath.

If you do not complete the Beneficiary Designation Form according to the rules, Wespath may not accept the form and will return it to you. If Wespath determines that your Beneficiary Designation Form is not valid, your previous designation will remain in effect. If Wespath returns a form to you because it is not valid, it is important that you understand the reason and go online or submit a new form with your desired Beneficiary designation. If the reason that Wespath did not accept the form is not clear, please contact Wespath for an explanation. (If Wespath fails to return a form to you, such failure is not an indication that the form is valid.)

Wespath reserves the right to change the Beneficiary designation procedures at any time in accordance with the terms and conditions of PRPIP.

Designation Before January 1, 2006

If you participated in CPBF and/or PIP before January 1, 2006, or MPP or SRBP before January 1, 2007, but did not designate a PRPIP Beneficiary acceptable to Wespath, the Beneficiary designation for these plans will become your PRPIP Beneficiary designation as follows.

If you designated a Beneficiary for CPBF, MPP, SRBP or PIP, but not for PRPIP...	...then your CPBF, MPP, SRBP or PIP designation (whichever is most recent) is your PRPIP Account Beneficiary.
If you designated a CPBF, MPP or SRBP Beneficiary and a PIP Beneficiary, but not a PRPIP Beneficiary...	...then your CPBF, MPP or SRBP designation (whichever is most recent) is your PRPIP Plan Sponsor Contributions Beneficiary, and your PIP designation is your PRPIP Participant Contributions Beneficiary.

However, if your designation was not acceptable at the time of receipt or if you did not designate a Beneficiary on a Wespath-approved form, your prior designation will not apply to your PRPIP Account.

Please keep your Beneficiary designation up-to-date. You may change or view your current Beneficiary Designations on Benefits Access at benefitsaccess.org. Any time you make a change, Wespath will send you a Beneficiary confirmation by email or mail. You should keep a copy of your most recent Beneficiary confirmation you receive and Beneficiary Designation Form sent to Wespath.

If your Beneficiary dies or you divorce, you may wish to change your Beneficiary designation. Also, please provide Wespath with your Beneficiary's Social Security number, address and phone number. If your Beneficiary does not submit a claim for benefits or Wespath cannot locate your Beneficiary, he or she may forfeit the benefits.

PARTICIPANT CONTRIBUTIONS

Once you are enrolled in PRPIP, you may contribute to your PRPIP Account.

PRPIP permits several types of Participant Contributions:

Before-Tax Contributions;

After-Tax Contributions; and

Rollovers from other Puerto Rico qualified retirement plans under Code sections 1081.01(a) and (d);

Wespath encourages you to save as much as you can by contributing to your Participant Contributions Account. However, the Puerto Rico Internal Revenue Code (Code) places some limits on the total amount that you and your Plan Sponsor can contribute. (Please see the “Contribution Limitations and Excess Contributions” section on page 17.)

Before-Tax Contributions

If you elect to contribute to PRPIP on a before-tax basis, your Salary-Paying Unit will deduct your Contributions from your Compensation (i.e., paycheck) before your Salary-Paying Unit has withheld income taxes. You may elect to contribute either a flat-dollar amount or a percentage of your Compensation. The Contributions are not treated as taxable income in the year they are withheld from your Compensation; thus, the amount will reduce your gross income for Puerto Rico income tax purposes. (If you are a lay employee, the amount will not reduce your income for Social Security taxes or benefits.) Instead, the Contributions are taxable income for the year in which you receive a distribution. Earnings on your Account are not treated as taxable income until distributed. Your Plan Sponsor will remit the Contributions to Wespath, and your Before-Tax Contributions Account will be credited as soon as practicable after receipt.

After-Tax Contributions

If you elect to contribute money to PRPIP on an after-tax basis, your Salary-Paying Unit will deduct your Contributions from your Compensation (i.e., paycheck) after your Salary-Paying Unit has withheld income taxes. You may elect to contribute either a flat-dollar amount or a percentage of your Compensation to your PRPIP Account. The Contributions are treated as taxable income in the year they are remitted, just as your Compensation is taxable income in the year you receive it. However, earnings on your Account are not taxable until you receive a distribution. Your Plan Sponsor will remit the Contributions to Wespath, and your After-Tax Contributions Account will be credited as soon as practicable after receipt.

Before-Tax and After-Tax Contributions Agreement

To make Participant Contributions, you must submit a completed *Before-Tax and After-Tax Contributions Agreement* to your Plan Sponsor or Salary-Paying Unit. By completing this agreement, you are:

authorizing your Plan Sponsor or Salary-Paying Unit to deduct the amount you specify from your Compensation; electing whether you want to contribute on a before-tax and/or after-tax basis; and specifying the amount in the form of a flat-dollar amount or a percentage (equal to at least $\frac{1}{2}$ of 1%) of your Compensation.

The total of your Before-Tax and After-Tax Contributions made to PRPIP is subject to some limits established by PRPIP provisions and sections of the Code. Wespath may correct any excess contributions in a manner consistent with the rules of PRPIP, but together with your Plan Sponsor, you are responsible for ensuring that your Participant Contributions do not exceed the limits allowed by the Code. (Please see the “Contribution Limitations and Excess Contributions” section on page 17.)

Automatic Enrollment

Your Plan Sponsor may have elected Automatic Enrollment. If so, your Plan Sponsor will automatically enroll you in PRPIP for a predetermined Before-Tax Contributions rate—from 1% to 5% of Compensation—if you do not advise your Plan Sponsor otherwise. Under this option, your Plan Sponsor will automatically begin to deduct the predetermined amount from your Compensation and remit it to Wespath for deposit to your Participant Contributions Account. If you do not wish to have Contributions automatically deducted and remitted to your Account, you must inform your Plan Sponsor and complete the necessary forms prior to any future Contributions. You may stop or change your future Contributions at any time.

Changing Your Contributions

You may change the amount of your Before-Tax or After-Tax Contributions by submitting a new *Before-Tax and After-Tax Contributions Agreement* to your Plan Sponsor. You are permitted to make, revoke or revise an election as of any future date. (Some Plan Sponsors may require sufficient notice for payroll changes. Please contact them for more information.) The election, revocation or revision is effective as soon as administratively feasible. If you stop contributing, you may start again at any time by completing a new *Before-Tax and After-Tax Contributions Agreement*.

A change to your Participant Contributions may affect your Plan Sponsor Contributions if your Plan Sponsor elected Matching or Conditional Plan Sponsor Contributions. Matching and Conditional Plan Sponsor Contributions are determined by the amount of your Participant Contributions. (Please see the “Plan Sponsor Contributions” section on page 13.) If you stop or reduce your Participant Contributions, your Plan Sponsor Contributions may stop or be reduced. Please check *PRPIP and You* or contact your Plan Sponsor or Wespath for more information.

Rollover Contributions

You can roll over your account balance into PRPIP from a Code section 1081.01(a) or 1081.01(d) plan, if that balance is a Qualifying Rollover Distribution. IRA balances may not be rolled over into PRPIP.

You can rollover amounts into PRPIP if you are a current or former Employee of the Puerto Rico Methodist Church who lives in Puerto Rico. However, if you are a Retired or Terminated Participant, your total Wespath-administered account balances must be at least \$5,000 after the rollover.

The amount you roll over is accounted for separately in your PRPIP Rollover Contributions Account. There are two kinds of rollovers:

Direct rollovers: You must inform the trustee or custodian of the other plan to: a) directly roll the amount over to your PRPIP Account; or b) issue a check payable to Wespath for remittance to your Account.

Traditional or indirect rollovers: You receive a distribution check payable to you and you remit the amount to your PRPIP Account within 60 days after the date of the check.

PLAN SPONSOR CONTRIBUTIONS

Your Plan Sponsor may have elected to make one or more of the following types of Plan Sponsor Contributions:

- matching,
- non-matching,
- conditional, and/or
- discretionary.

If your Plan Sponsor elects to make contributions, it will also elect the amount of contributions as a percentage of: 1) your Compensation, or 2) your contributions to your Participant Contributions Account. It will elect the frequency of the contributions (by payroll period, monthly or annually). Once Wespath receives the contributions, we will credit your contributions to your Account as soon as practicable.

Please check *PRPIP and You* to learn whether or not your Plan Sponsor elected to remit Plan Sponsor Contributions, and, if so, the contribution type, the amount and the frequency. You may also contact your Plan Sponsor or Wespath for this information.

Plan Sponsor Contributions Eligibility

Your Plan Sponsor may have elected to make Plan Sponsor Contributions on your behalf. Plan Sponsors are not required to make Plan Sponsor Contributions, so check *PRPIP and You* to see if yours does.

Each Plan Sponsor may choose the classification of employees for which it will make Plan Sponsor Contributions. You may only receive the type of Contribution that your Plan Sponsor chose for your employment classification. To learn if your Plan Sponsor has elected to make Plan Sponsor Contributions for your employment classification, please contact your Plan Sponsor or Wespath.

Lay Employees

Once you are employed by the Plan Sponsor, you may be eligible for Plan Sponsor Contributions if you satisfy the eligibility requirements that were elected by your Plan Sponsor. These requirements may include:

- minimum age;
- minimum Service;
- permanent employment;
- full-time employment;
- receiving benefits from a long-term disability benefits plan, but only if the Plan Sponsor elects to remit Plan Sponsor Contributions during your disability; or
- a certain Employee classification.

In addition, you must be receiving Compensation from your Plan Sponsor or your Salary-Paying Unit (including paid leaves) unless you are entitled to retirement contributions pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) or the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act).

Review *PRPIP and You* to determine the eligibility requirements that apply to you for Plan Sponsor Contributions.

PRPIP and You is an information sheet that you should have received from your Plan Sponsor or Wespath. This information sheet describes the specific requirements for eligibility for Plan Sponsor Contributions and other elections made by your Plan Sponsor on its Adoption Agreement. It is important that you read and understand *PRPIP and You* so that you know how PRPIP works for you. If you did not receive or cannot locate this information sheet, please contact your Plan Sponsor or Wespath.

Service Requirement

As mentioned above, your Plan Sponsor may require you to satisfy a Service requirement before you are eligible to participate in PRPIP for Plan Sponsor Contributions. You can find your Plan Sponsor's Service requirement in *PRPIP and You*.

For eligibility purposes, you will earn one Month of Service for the first month you work (e.g., March 15 to April 14) and for each calendar month thereafter: 1) in which you work at least one hour for your Plan Sponsor or Salary-Paying Unit, 2) for which you are paid for at least one hour by your Plan Sponsor or Salary-Paying Unit, or 3) for which you are scheduled or expected to work. You need not be employed or paid for the entire month to receive credit for a Month of Service.

You are credited with an hour of Service for each hour you:

- are directly or indirectly paid or entitled to payment from your Plan Sponsor for the performance of duties for which you are scheduled or expected to work;
- are paid for time during which duties are not performed due to vacation, holiday, illness, incapacity, disability, layoff, jury duty, military duty or leave of absence;
- receive back pay that is awarded or agreed to by your Plan Sponsor; or
- are on a Leave of Absence approved by your Plan Sponsor if you are paid for one hour of service before and after the Leave and you return to work when the Leave is scheduled to end or you retire from the Leave.

Break-in-Service

If you incur a Break-in-Service and then return to work with the same Plan Sponsor, your pre-break service may or may not count toward your eligibility to participate in PRPIP when you return. You will incur a Break-in-Service if you:

- experience a Termination of Employment; or
- do not return to work when a Leave is scheduled to end.

If your Break-in-Service was less than one year, your pre-break Service will count towards your total Service for eligibility purposes. However, you will not receive Service credit during your Break-in-Service.

If your Break-in-Service is one year or more, your pre-break Service will not count towards your total Service for eligibility purposes for PRPIP when you return. You will lose all pre-break Service credited before your termination of employment.

Clergy or Bishop Appointed to a Puerto Rico Methodist Church-Responsible Salary-Paying Unit

Once you are under Episcopal appointment to a Puerto Rico Methodist Church-responsible Salary-Paying Unit (e.g., local church, conference office, district office) and your Plan Sponsor has elected to make Plan Sponsor contributions, you are eligible for those Plan Sponsor Contributions if you are:

- receiving Compensation;
- on a paid Leave;
- entitled to retirement contributions pursuant to USERRA or the HEART Act;
- receiving disability benefits from CPP; or
- on Incapacity Leave, but only if your Plan Sponsor elects to remit Plan Sponsor Contributions while you are on Incapacity Leave.

Plan Sponsor Contribution Types

The following table explains the types of Plan Sponsor Contributions that may be offered by your Plan Sponsor.

Type	Explanation	Example
Matching Contributions	Your Plan Sponsor may choose to contribute a percentage of what you contribute to your PRPIP Participant Contribution Account. ¹	Your Plan Sponsor matches 50% of what you contribute to your Participant Contribution Account ¹ up to 4% of your Compensation. You contribute 5% of your Compensation of \$30,000, or \$1,500, for the year. Your Plan Sponsor will contribute \$600; 50% of \$1,200—4% of your Compensation.
Non-Matching Contributions	Your Plan Sponsor may elect to contribute a certain percentage of your Compensation regardless of the amount you contribute.	Your Plan Sponsor contributes 9% of your Compensation of \$30,000, or \$2,700, for the year to your Plan Sponsor Contribution Account regardless of the amount you contribute.
Conditional Contributions	Your Plan Sponsor may choose to contribute an amount equal to a percentage of your Compensation if you contribute a required amount or more to your Participant Contribution Account. ¹	Your Plan Sponsor elects to contribute 6% of your Compensation if you contribute at least 3% of your Compensation to your Participant Contribution Account. You contribute 5% of your Compensation of \$30,000, or \$1,500. Since you contribute at least 3%, your Plan Sponsor will contribute 6% of your Compensation, or \$1,800. If you contribute 2% of your Compensation, you receive no Plan Sponsor Contribution.
Discretionary Contributions	Your Plan Sponsor may elect to remit a contribution to your Plan Sponsor Contribution Account at its sole discretion. It may or may not elect a contribution from year-to-year. The election often is made after the close of the year.	Because the Plan Sponsor has met its year-end goals (e.g., an increase in new church members), it elects to contribute 9% of your Compensation of \$30,000, or \$2,700.

¹ excluding Rollover Contributions

Under the terms and conditions of PRPIP, the Plan Sponsor is limited in the type and amount of contributions it can make to your Plan Sponsor Contributions Account. Your Plan Sponsor will contribute only if it has elected to do so in its Adoption Agreement and only if you satisfy the eligibility requirements and are enrolled in PRPIP. If you are not eligible to participate, not enrolled or do not remit any required Participant Contributions, you will not receive any Plan Sponsor Contributions.

Your Plan Sponsor is required to remit contributions to Wespath as soon as possible, but in no event later than the due date established by Wespath. If your Plan Sponsor delays remitting contributions until after this date, your Plan Sponsor may be required to make up the missed or delayed contributions, plus imputed earnings.

Vesting

Vesting refers to the amount of ownership you have in your PRPIP Account. If you are 100% vested, you are entitled to your entire Account balance when you are eligible to receive a distribution. You are always 100% vested in your Participant Contribution Account. Your Plan Sponsor Contribution Account is subject to a vesting schedule elected by your Plan Sponsor. If you are not vested or only partially vested in your Plan Sponsor Contributions at your termination, you will receive only the portion of your Plan Sponsor Contribution Account in which you are fully vested, and the remainder will be forfeited.

Your ownership of the Plan Sponsor Contribution Account is subject to a vesting schedule that your Plan Sponsor elects on its Adoption Agreement. The vesting schedule is based upon your Service with that Plan Sponsor. To check which vesting schedule your Plan Sponsor elected, please see *PRPIP and You*.

Certain events will trigger 100% vesting of your Accounts whether or not you have met the vesting schedule in your Plan Sponsor's Adoption Agreement based on your service. These events are:

- Retirement;
- becoming disabled under your Plan Sponsor's long-term disability plan or the Social Security definition; or
- your death, if it occurs before your Termination.

CONTRIBUTION LIMITATIONS AND EXCESS CONTRIBUTIONS

The Code and related regulations contain many complex rules that determine the maximum contributions you and your Plan Sponsor can make to all of your retirement plans. Wespath has summarized the contribution limits; however, we cannot provide tax advice to you. If you contribute an amount greater than the limit, you are responsible for any taxes, penalties or fees assessed by the Puerto Rico Department of Treasury and any required adjustments to your prior years' tax liabilities. Your Plan Sponsor is ultimately responsible for monitoring these limits.

Before-Tax Participant Contributions Limit

The total of your PRPIP Before-Tax Participant Contributions, plus any before-tax contributions made to any other defined contribution retirement plans, may not exceed \$15,000 in 2023. The Legislative Assembly of Puerto Rico may adjust this limit in later years. If you contribute more than this limit, you may be able to re-characterize your excess contributions as age 50 catch-up contributions or after-tax contributions.

After-Tax Participant Contributions Limit

The total of your PRPIP After-Tax Participant Contributions, may not exceed the following limitation in any calendar year:

- 10% of your total Compensation while you were a Participant in the Plan; minus
- the sum of all After-Tax Contributions you made in all previous Plan Years while participating in the Plan.

The foregoing limitation does not include any After-Tax Contributions that earned or were matched by Matching Contributions or Conditional Contributions. If you contribute more than this limit, you will receive a refund of the excess contributions.

Age 50 Catch-Up Contributions

Beginning in the year in which you will reach age 50, you may contribute an additional \$1,500 per year in Before-Tax Contributions each year. The Legislative Assembly of Puerto Rico may adjust this limit in later years.

Annual Account Additions Limit

Generally, the total amount of PRPIP Contributions and any contributions to your Puerto Rico Clergy Retirement Security Program (PRCRSP) or other retirement plan for the year (not including rollovers in) cannot exceed the lesser of the following:

- \$69,000 in 2024 (or as revised in later years), or
- 100% of your Compensation.

Your Compensation is the sum of all of your compensation and any before-tax contributions you made to benefit plans (such as PRPIP or other plan qualified under the Code).

If the annual contributions to your PRPIP Account and any other retirement plans, such as PRCRSP, exceed the limits set forth above, Wespath must follow Puerto Rico Department of Treasury guidelines to correct, or refund, the excess contributions.

Your plan sponsor is responsible for monitoring your total contributions to all plans to ensure that you do not exceed the annual Puerto Rico Department of Treasury limits and notifying Wespath accordingly.

Maximum Compensation

Highly compensated employees may not receive Plan Sponsor or Participant Contributions with respect to Compensation in excess of \$345,000 in 2024 (or as revised in later years).

If you would like more information about contribution limits, call Wespath at **1-800-851-2201**. If you have further questions concerning contribution limitations, you may want to consult your personal tax advisor.

INVESTMENT OF YOUR ACCOUNTS

If you choose, you may direct the investment of your Participant and Plan Sponsor Contributions into any one or combination of the following investment funds (or such other funds that Wespath may offer) in increments of 1%:

- Stable Value Fund
- U.S. Treasury Inflation Protection Fund
- Inflation Protection Fund
- Social Values Choice Bond Fund
- Fixed Income Fund
- Extended Term Fixed Income Fund
- Multiple Asset Fund
- U.S. Equity Fund
- U.S. Equity Index Fund
- Equity Social Values Plus Fund
- International Equity Fund

The investment funds available in Wespath-administered retirement plans are intended for investors with a long-term time horizon. With the exception of the Stable Value Fund, you may not purchase units in a particular fund for 60 days after selling units in the same fund (this applies only to interfund transfers—not to new contributions, rollovers, loans or withdrawals). Interfund purchases of shares in the Stable Value Fund may be executed at any time.

Know the Facts. To learn more about available investment funds, including fund objectives, historical performance and benchmarks, visit wespath.org/r/invest.

The investment funds pay Wespath’s costs of plan administration and investment management by means of a fee, which is subtracted from each investment fund before the returns are credited to Participant Accounts. For specific management fee amounts for each investment fund, please visit Wespath’s website or call Wespath.

Instead of electing the specific investments for your Contributions, you may use LifeStage Investment Management Service to manage the investment of your Account. (Please see the “LifeStage Investment Management Service” section that follows.)

If you do not make an investment election for your Account, your Account and future Contributions are invested through LifeStage Investment Management Service.

The investment of your PRPIP Account will also apply to any other self-directed accounts in other Wespath-administered plans, such as PRCRSP, and vice versa. When you make an investment election, it applies to all plans with defined contribution balances for which you are authorized to self-direct the investments.

Self-directed accounts are those for which you select the investments. You can direct how your accounts are invested among Wespath’s investment funds, or you can allow LifeStage Investment Management Service to create a customized portfolio for you. The following accounts are self-directed, although you may not be a participant in all of the plans:

- Puerto Rico Clergy Retirement Security Program (PRCRSP) Defined Contribution (DC)
- Clergy Retirement Security Program (CRSP) DC
- Puerto Rico Personal Investment Plan (PRPIP)
- Personal Investment Plan (PIP)
- Horizon 401(k) Plan (Horizon)

All of your self-directed accounts are invested in the same way. If you elect to use LifeStage Investment Management Service, then the service will manage the investment of all of your self-directed accounts. If you elect to choose which Wespath funds to invest in, all of your self-directed accounts will be invested in the same funds. For more information about Wespath's funds, visit our website at wespath.org or call Wespath at **1-800-851-2201**.

LifeStage Investment Management Service

LifeStage Investment Management Service (LifeStage) allocates your Participant and Plan Sponsor Contributions among Wespath investment funds. The asset allocation, or investment mix, represents your individual investment portfolio. It is based on your age, the assets in your Wespath retirement accounts and the answers you may provide to the *LifeStage Personal Investment Profile*.

After determining your investment fund allocation, LifeStage manages your self-directed Accounts. As you age or your profile changes, LifeStage adjusts your allocation accordingly. LifeStage will also periodically rebalance your Account to return you to your targeted investment fund allocation when differences in market returns have caused your investment fund allocation to be out of balance. You may elect to use LifeStage, change your profile or discontinue its use via Benefits Access or the *Investment Election Form*.

Making Your PRPIP Investment Elections

You may make two types of investment fund changes:

- you may change the way future (new) contributions (including future rollovers) are invested, without affecting the existing Account investment; and/or
- you may change the way your existing self-directed accounts (past contributions and earnings) are invested, without affecting new contributions.

To make your investment fund choices, visit the Benefits Access website at benefitsaccess.org or call Wespath at **1-800-851-2201** and ask for an *Investment Election Form*.

Keeping Track of Your Accounts

You will receive an Account statement each quarter by mail, showing Contributions, any applicable earnings or losses and other transactions since the last quarterly statement. You may visit Benefits Access (benefitsaccess.org) at any time to obtain information about your Account.

Sustainable Investment

As the trustee of the largest denominational pension fund in the United States, Wespath strives to maximize the financial, social and environmental value of its investments. Towards this end, it actively exercises its ownership through shareholder engagement, proxy voting, portfolio screening and community investing.

All of the investment funds adhere to sustainable investment guidelines, directed by the *Social Principles of The United Methodist Church*, as outlined in *The Book of Discipline*.

Through sustainable investment Wespath fulfills its mandate to influence corporations, whose stock Wespath owns, toward greater social, environmental and governance (ESG) responsibility. Wespath's sustainable investment approach also excludes investments in certain companies that do not align with United Methodist Church values, notably those that are substantially engaged in businesses involved in pornography, gambling, alcoholic beverages, tobacco, weapons or prison facilities.

Sustainable investing considers the financial, social and environmental aspects of investment decisions. Investments are made in alignment with values, aiming not only for a healthy financial bottom line, but also for positive social and environmental impacts.

ACCESS TO YOUR ACCOUNTS BEFORE RETIREMENT OR TERMINATION

There are different times at which you may access your Accounts, each of which may impact your financial security in retirement. Before you elect to receive a loan or withdrawal, Wespath recommends that you seek financial, tax and/or legal advice to help you understand the consequences.

You may access your Accounts by requesting the following:

- hardship loan from your Participant Contribution Account;
- hardship withdrawal from your Participant Contribution Account;
- in-service withdrawal from your Participant Contribution Account upon attaining age 59½;
- in-service withdrawal from your Rollover Account;
- early distribution of a portion or all of your Accounts due to disability; or
- withdrawal from your Participant Contribution Account or Rollover Account due to qualified military duty.

The following is a summary of the requirements for loans and various types of withdrawals. Please remember that the loan or withdrawal is subject to rules and the use of forms established by Wespath. If you decide to take a loan or withdrawal, please contact Wespath for up-to-date information on the rules and applicable forms.

Please consider each loan or withdrawal type carefully and be sure to understand the impact on your financial security in retirement. Also, remember to contact Wespath for the up-to-date rules and forms.

Hardship Loans

When you take a loan from your PRPIP Participant Contributions Account, you are essentially borrowing from yourself and paying yourself back with interest. Remember, however, that the money you borrow will not provide investment earnings until it is repaid. As a result, your Account balance may be significantly reduced compared to what it would have been had you not taken a hardship loan.

You may request a loan only for the hardship reasons listed below:

- to meet certain unreimbursed medical expenses for you, your Spouse or your dependents;
- to purchase a residence for yourself (excluding mortgage loan payments);
- to pay tuition and related educational fees (including room and board) for post-secondary education for you, your Spouse or your dependents;
- to prevent your eviction from or foreclosure on your principal residence;
- to pay for the repair of damage to your principal residence;
- to pay for funeral or burial expenses for your deceased parent, your Spouse or your dependent;
- to pay expenses related to any disaster that has been declared by the President of the United States, the governor of Puerto Rico or Wespath; or
- to pay the costs of any other immediate and heavy financial need affecting you as may be determined by the Administrator.

The maximum loan amount available is the least of:

- 50% of your total vested Account balance PRPIP;
- \$50,000 reduced by your highest outstanding PRPIP loan balance during the preceding 12 months; or
- your Participant Contributions Account balance.

Regardless of your Account balance, the loan amount you request cannot exceed the amount needed to meet your financial hardship. The minimum loan amount is \$1,000. You may only have one outstanding loan at a time. Wespath maintains a loan policy that includes the application, payment and default rules. The following is a summary of the current policy. At any time, Wespath has the authority to change the loan policy.

Applying for the Loan

You may apply for a loan with respect to your Account with any Plan Sponsor by completing a loan application, provided that you do not have a current outstanding loan from PRPIP. There is a \$50 non-refundable application/loan processing fee, which is deducted from your PRPIP Account balance. (This fee is subject to change.)

You may model a loan or request a loan application through Benefits Access (benefitsaccess.org) to determine how much you could borrow and your repayment terms.

Upon approval of your completed loan application, Wespeth will process your application. If the application is approved, we will mail a loan check to you within 30 days. Once you pay off a loan, you are eligible to request a new loan immediately following your repayment date. As noted earlier, however, a loan balance during the previous 12 months may reduce the loan amount for which you qualify.

Repaying the Loan

Your loan will bear a reasonable rate of interest based on market rates at the time of your loan. When you take a loan, the interest rate is fixed for the full term of the loan. Your monthly repayments, both principal and interest, are deducted from your checking or savings account via electronic funds transfer (EFT) and are remitted to Wespeth. Loan repayments are returned to your PRPIP Account and invested in the same investment funds in which your new contributions are invested.

The repayment period may be up to five years. However, if the loan is for the purchase of your primary residence, your repayment period may extend for as long as 15 years. You may prepay the entire outstanding principal (and interest due) in full at any time without penalty (by money order, cashier's check or certified check).

If you terminate employment or Retire, you may choose to repay the outstanding loan balance immediately or to continue loan payments over the term of the loan via EFT. However, if you elect to take a full distribution of your vested Account balance or if your balance (including the outstanding loan balance) is subject to an automatic distribution, you must pay the outstanding loan prior to the distribution. If you do not repay the loan, the outstanding balance will be defaulted and become a taxable distribution to you. Upon your death, if your Beneficiary is your Spouse, he or she may choose to repay any outstanding loan balance according to the terms of the loan. Otherwise, the balance will default and become a taxable distribution. A non-Spouse beneficiary may not continue loan repayments and must repay the entire outstanding loan balance plus any outstanding interest in one payment or the balance will default.

Loan Defaults

If you do not repay your loan according to the terms of the loan, the loan is considered to be in default. A loan is subject to default if there is at least one outstanding payment on the last day of the second month of the quarter following the quarter in which the payment was due. Defaulting on your loan has several consequences:

- the Puerto Rico Department of Treasury treats your outstanding loan balance plus unpaid interest as a taxable distribution to you;
- Wespeth will report the amount of a taxable distribution and withholding, if applicable, to both the Puerto Rico Department of Treasury and to you;
- you will never again be able to take a loan from PRPIP; and
- you will be responsible for paying applicable taxes, including any penalties that may apply.

Hardship Withdrawals

You may be eligible for a hardship withdrawal of your Before-Tax Contributions (excluding earnings thereon) and After-Tax Participant Contributions if you have a financial hardship while you are an eligible Clergy person or Lay Employee. However, neither your Plan Sponsor Contributions nor the earnings on them are eligible for hardship withdrawals. Unlike hardship loans, you cannot repay hardship withdrawals to PRPIP. Hardship withdrawals are considered taxable income.

Generally, a financial hardship exists if a withdrawal is required because of certain immediate and heavy financial needs. In addition, you must be able to prove and to certify that this financial need cannot be met by any other reasonably available sources. This will include exhausting funds available through savings, conventional loans and loans from PRPIP or other retirement vehicles in which you participate. The amount of your withdrawal request may not exceed the amount needed to meet the hardship, plus any tax liabilities you would incur as a result of the distribution.

You may request a hardship withdrawal for any of the following reasons:

- to meet certain unreimbursed medical expenses for you, your Spouse or your dependents;
- to purchase your principal residence (excluding mortgage loan payments);
- to pay tuition and related educational fees for the next semester for post-secondary education for you, your Spouse or your dependents;
- to prevent your eviction from or a foreclosure on your principal residence or;
- such other event or circumstance as the Puerto Rico Secretary of the Treasury through Regulations may permit.

If you receive a hardship withdrawal, you may not remit Participant Contributions or catch-up contributions for the following 12 months. Also, your Plan Sponsor may not remit Plan Sponsor matching or conditional contributions. (Please see the “Plan Sponsor Contributions” section on page 13.)

Applying for a Hardship Withdrawal

You may request a withdrawal by completing a *Puerto Rico Personal Investment Plan Hardship Withdrawal Application* indicating the reason for the financial hardship. Only the hardship reasons listed on the application qualify you for a hardship withdrawal. Once this application has been submitted, Wespath will determine your eligibility to receive a hardship withdrawal. You may request information and an application by contacting Wespath at **1-800-851-2201**.

Rollover Account Withdrawal

If you have rolled over your account balances from another Puerto Rico qualified retirement plan to PRPIP (see the “Rollover Contributions” section on page 12), you will have a Rollover Account. You may withdraw all or part of your Rollover Account for any reason.

In-Service Withdrawal Upon Attaining Age 59½

When you reach age 59½, you may withdraw all or part of your Participant Contributions Account for any reason. Your withdrawal request is subject to the rules adopted by Wespath regarding the form and the frequency of the withdrawals.

Qualified Military Reservist Withdrawal

If you are a reservist called to active duty on or after September 11, 2001 for a period of at least six months and are still on active duty, you may withdraw all or part of your Participant Contributions Account. You must submit a copy of your military orders along with the appropriate Wespath form.

Qualified Military Withdrawal

If you are on qualified military leave (as defined in the HEART Act) for a period of at least 30 days and are still on active duty, you may withdraw all or part of your Participant Contributions Account. You must submit a copy of your military orders along with the appropriate Wespath form. In addition, any Before-Tax and After-Tax Contributions will be suspended for six months.

Early Distribution Due to Disability

You may elect to receive a distribution if you satisfy the definition of disability for the different types of contributions. To receive a distribution, you must complete and return an *Application for Benefits for Disability* to Wespath. You may be asked to provide documentation or a certification of your disability in order for Wespath to determine your eligibility to receive a distribution.

Plan Sponsor Contribution Account

If you are disabled under your Plan Sponsor's disability plan or the Social Security disability definition, or, if you are a Clergy person and you are placed on incapacity leave by the Puerto Rico Methodist Church, you may request a distribution of your Plan Sponsor Contribution Account.

Participant Contribution Account

Rollover or After-Tax Contribution Account

If you are disabled under your Plan Sponsor's disability plan or the Social Security disability definition, or, if you are a Clergy person and you are placed on incapacity leave by the Puerto Rico Methodist Church, you may request a distribution of your Rollover or After-Tax Contribution Accounts.

Before-Tax Contribution Account

To withdraw amounts from your Before-Tax Contribution Account, you must be permanently disabled and not expected to recover within the meaning of Code section 1081.01(d)(2)(B)(i). You are considered permanently disabled for distribution purposes if 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 indefinite duration. You are responsible for satisfying any applicable Puerto Rico Department of Treasury Regulations under Code section 1081.01(d)(2)(B)(i).

Distribution of Your Accounts

You are eligible to receive a distribution of your Accounts upon:

- Termination of Employment
- Retirement

If you are a Lay Employee who terminated employment with the Puerto Rico Methodist Church, you may receive a distribution from your PRPIP Account. Clergy persons must terminate their membership with the Puerto Rico Methodist Church before they are entitled to any distributions on account of termination.

If you die before you receive a complete distribution of your Account, i.e., if there is an Account balance upon your death, Wespath will distribute your Account to your Beneficiary.

If your PRPIP Account plus the value of all your other Wespath-administered retirement plans (including defined benefit plans) total more than \$5,000 at the time you terminate employment or, for Clergy, at the time you terminate your employment or Retire, you may choose to leave your Account balance in PRPIP until a later date or you may choose to receive a distribution at any time after you terminate or Retire. If you do not request a distribution of your PRPIP Account, it will continue to share in PRPIP's investment returns on a tax-deferred basis until it is paid to you. When you are ready to receive a distribution, you must contact Wespath for an application for benefits. You will need to complete the application and return it to Wespath.

If the total aggregate value of your Wespeth-administered plans does not exceed \$5,000 and you do not request a lump sum distribution or a rollover to another eligible plan or IRA, Wespeth will automatically pay your Account to you as a single sum distribution as soon as administratively feasible after you terminate or Retire. In all cases, you must receive a minimum distribution by your required beginning date and further Required Minimum Distributions (RMDs) thereafter. (Please see the “Required Minimum Distributions” section on page 25.)

Death

Your PRPIP Account is payable to your Beneficiary (please see the “Beneficiary Designation” section on page 8) if you die before benefit payments begin to you or before your entire Account is paid out to you. In each case, Wespeth will pay your Account to your Beneficiary in accordance with Wespeth’s required minimum distribution rules.

Death Before You Begin Receiving Benefits

Spousal Beneficiary and Eligible Designated Beneficiary

If your Beneficiary is your Spouse or is an Eligible Designated Beneficiary, after your death, your Spouse or Eligible Designated Beneficiary may choose to:

- receive payment immediately;
- receive payment over his or her remaining life expectancy (must be elected within the calendar year following your death); or
- defer payment until December 31 of the calendar year containing the tenth anniversary of your death.

If your Beneficiary is your Spouse, after your death, your Spouse may elect to defer payment no later than the Required Beginning Date in the chart below:

If the deceased participant’s Birth Date was...	The Spouse’s Required Beginning Date is December 31 of the year after the year of the participant’s death, or December 31 of the year the participant would have reached this age, whichever is later:
Before July 1, 1949	70 ½
July 1, 1949 - December 31, 1950	72
January 1, 1951 - December 31, 1959	73
On or after January 1, 1960	75

Your Spouse or Eligible Designated Beneficiary may request a direct rollover of the entire account balance to another Puerto Rico qualified plan or IRA established in Puerto Rico (as long as the Account balance is greater than \$200). If your surviving Spouse or Eligible Designated Beneficiary dies before receiving the distribution of your entire Account, Wespeth will pay your surviving Spouse’s or Eligible Designated Beneficiary’s Beneficiary within 10 years of your surviving Spouse’s or Eligible Designated Beneficiary’s death.

Non-Spousal Beneficiary who is not an Eligible Designated Beneficiary

If you die before your Required Beginning Date, your non-Spousal Beneficiary who is not an Eligible Designated Beneficiary may choose to:

- receive payment immediately; or
- defer payment until as late as December 31 of the calendar year of the tenth anniversary of your death.

If your Beneficiary is your estate or another non-individual, such entity may elect to receive your remaining benefits in a lump sum or to defer payment until as late as December 31 of the calendar year of the fifth anniversary of your death. In the case of certain trusts whose only beneficiaries are one or more individuals who are Eligible Designated Beneficiaries, the trust may receive direct distributions over the life expectancy of the individual with the longest life expectancy (must be elected within the calendar year following your death).

Your non-spousal Beneficiary who is not an Eligible Designated Beneficiary may request a direct rollover into an IRA established in Puerto Rico (as long as the Account balance is greater than \$200 and the amounts to be rolled over are not RMDs). If your surviving non-spousal Beneficiary who is not an Eligible Designated Beneficiary dies before receiving the distribution of your entire Account, Wespah will pay the balance to his or her Beneficiary.

Death After You Begin Receiving Benefits

If you die after your required beginning date, your surviving Spousal Beneficiary or Eligible Designated Beneficiary may elect to receive payment immediately in a lump sum or to receive payment over the longer of what remains of your life expectancy at the time of your death or your surviving Spouse's or Eligible Designated Beneficiary's life expectancy. Non-spouse Beneficiaries who are not Eligible Designated Beneficiaries may elect to receive payment immediately in a lump sum or to receive payment by December 31 of the calendar year of the tenth anniversary of your death if you die after 2019.

If your Beneficiary is your estate, or another non-individual, such entity may elect to receive your remaining benefits in a lump-sum or to defer payment until as late as December 31 of the calendar year containing the fifth anniversary of your death. In the case of certain trusts whose only beneficiaries are one or more individuals who are Eligible Designated Beneficiaries, the trust may receive direct distributions over the life expectancy of the individual with the longest life expectancy.

If your Beneficiary chooses not to receive an immediate payment of your Account, he or she may name a Beneficiary to receive payment in the event of his or her death. (Please see the "Beneficiary Designation" section on page 8).

Required Minimum Distributions (RMDs)

Please note that under PRPIP provisions, you must begin receiving RMDs from your Account by your Required Beginning Date according to the chart below.

If your Birth Date is...	Your Required Beginning Date is April 1 after the year you retire or April 1 after the year in which you reach the age below, whichever is later:
Before July 1, 1949	70 ½
July 1, 1949 - December 31, 1950	72
January 1, 1951 - December 31, 1959	73
On or after January 1, 1960	75

If you have a PIP Account related to a former employer, you may be required to take minimum distributions from that Account, even though required distributions from your current Account are deferred until you Retire from your current employer.

To satisfy the RMD requirements, you must receive an amount that would be distributed proportionately over your expected lifetime (or the expected lifetimes of you and your Spouse or Eligible Designated Beneficiary) or at a faster rate. Distributions over someone's expected lifetime may be accomplished through the cash installment form of distribution, described in the following section. The amount of the Required Minimum Distribution is determined by IRS regulations, which are subject to change. If you do not request a distribution that satisfies the Required Minimum Distribution rules by the Required Beginning Date, Wespeth may automatically distribute the minimum amount to you.

FORMS OF PAYMENT

PRPIP offers a choice of distributions from your Participant Contributions or Plan Sponsor Contributions Accounts. These are:

- lump sum distribution;
- partial sum distribution; and
- retirement income (also called cash installments).

Once you are eligible to receive a distribution (please see the “Distribution of Your Accounts” section on page 23), you may elect one of these choices no more frequently than quarterly.

Lump Sum Distribution

You may elect to receive a single sum (or lump sum) payment equal to your vested Account balance valued as of the Accounting Date coinciding with or immediately before the date of distribution.

Partial Distribution

You may not want to receive a single sum distribution due to the tax consequences and loss-of-earnings potential. Instead, you may want to receive a lesser amount to meet your current financial needs. If so, you may elect a partial sum distribution. This form of payment is available to you no more than once per calendar quarter up to the value of your vested Account. If you have attained your required beginning date, you must elect partial sum distributions at least equal to the required minimum distribution each year. (Please see the “Required Minimum Distributions” section on page 25.)

Retirement Income (also called cash installments)

As an alternative to a lump sum or partial sum payment, you may elect retirement income payments. Retirement income is a series of distributions, payable annually or monthly. You may elect a periodic retirement income amount or the expected period of the distribution (which will establish the periodic amount based on your Account balance at the time of your election), subject to rules established by Wespeth and the required minimum distribution regulations.

While you are receiving cash installment payments, your Account continues to be subject to investment gains, losses and expenses. If you elect a dollar amount, your retirement income will continue until you change your election or until your entire Account is distributed. If you elect a specified period for the distribution, your payments may vary in amount, depending on your investment returns, so that your Account balance will be completely distributed at the end of the period you named.

Trailing Account Balances

A trailing Account balance occurs when there is a delayed contribution or other credit to your Account after Wespeth has distributed your entire Account balance. If the trailing Account balance is less than \$500, you will automatically receive the payment as a lump sum distribution. If the trailing Account balance is greater than or equal to \$500, Wespeth will automatically distribute it in the same form of payment that was applied to your previous distribution.

Although PRPIP does not offer annuity distributions, you may purchase an annuity from a commercial annuity provider with a PRPIP lump sum rollover. Contact Wespeth for more information.

Rollover Out

You may roll over your Qualifying Rollover Distribution (if it is at least \$200) into another qualified Puerto Rico retirement plan or IRA established in Puerto Rico. It is your responsibility to determine if the other plan accepts rollovers. If you elect to roll over your Qualifying Rollover Distribution, the entire distribution (except after-tax contributions) must be rolled over. When Wespeth directly rolls over an amount to another eligible plan or IRA, you will not be subject to immediate taxation or tax withholding on the amount of the rollover.

If you take a distribution of your entire account balance at one time, it is subject to an automatic 20% income tax withholding. If you wish to roll over the entire amount of the Qualifying Rollover Distribution, you will have to substitute other money from another source to make up for the 20% that was withheld. If you do not substitute other money and, therefore, roll over only the 80% you received to the other plan or IRA, then the 20% of your distribution that was withheld will become a taxable distribution at the end of the 60-day rollover period. The 20% amount will be subject to ordinary income tax. To avoid the 20% withholding, you may use a direct rollover.

If you elect a partial lump sum distribution or retirement income (also called cash installments), the distributed funds are subject to 10% income tax withholding. Wespeth will take any income exemption provided by the Puerto Rico Department of Treasury into account when determining withholding.

Not more than 180 days before you receive a distribution, Wespeth will provide you with a written notice describing your right to a direct rollover and the tax consequences of your distribution or rollover. We will not process distributions until 30 days after you receive the notice, unless you waive the 30-day notice period in writing. As the notice will describe in greater detail, some distributions are not eligible for rollover. If you are unsure whether you can roll a distribution out of PRPIP, contact Wespeth or the administrator of the other plan or IRA.

Deciding to take a distribution from your Account is an important retirement-related decision. Please consider each distribution type carefully and understand its impact on your financial security in retirement. Wespeth suggests that you contact a certified financial planner and/or tax advisor for help with this process. Also, remember to contact Wespeth for the up-to-date rules and requirements for each distribution.

CLAIMS AND APPEALS

Once eligible, you or your Beneficiary may apply for a distribution from your Account by completing forms provided by Wespath. For more information on the appropriate forms to complete and the choices available to you, contact Wespath at **1-800-851-2201**. You or your Beneficiary must file your claim for benefits within one year after the later of:

- when the events giving rise to the claim occurred; or
- when you knew or should have known of the facts or events giving rise to the claim.

If you do not file your claim within the timeframe above, the claim will be deemed to be irrevocably waived. If you or your Beneficiary does not claim benefits sooner, they must be claimed by your required beginning date. (Please see the “Required Minimum Distributions” section on page 25.) Failure to do so could result in the forfeiture of PRPIP benefits.

Denial of the Application or Claim

If Wespath denies a claim for benefits under PRPIP, we will notify you or your Beneficiary in writing. The notice will:

- describe the specific reasons for the denial;
- cite PRPIP provisions on which the denial was based; and
- explain the appeal procedures.

You will receive this notice no more than 45 days after filing the original claim or 45 days after the request for or submission of additional materials requested by Wespath. Under special circumstances, an additional 90 days may be necessary to respond to the claim.

There are three steps in the appeal process: an initial appeal, an intermediate appeal and a final appeal.

Initial Appeal

If Wespath denies your claim for benefits, in whole or in part, you may request a review of the decision by filing a *Notice of Initial Appeal* with the Initial Appeals Committee. You must file the notice within 90 days after the date of the letter denying your claim for benefits. You may submit facts and supporting documentation relevant to your appeal. If the notice is not filed in a timely manner, Wespath’s decision to fully or partially deny your claim for benefits will be final.

You, your duly authorized representative or a representative of your Plan Sponsor may request to appear personally or by teleconference call before the Appeals Intermediary, subject to the conditions and limitations of the Intermediate Appeals Committee. However, you, your representative or your Plan Sponsor will be responsible for any expenses associated with the appearance.

Intermediate Appeal

If the Initial Appeals Committee denies your claim for benefits, in whole or in part, your appeal will be referred to the Intermediate Appeals Committee of Wespath for consideration.

The Intermediate Appeals Committee will decide the appeal within 60 days of the decision by the Initial Appeals Committee.

The Intermediate Appeals Committee will conduct a review of your intermediate appeal and notify you, in writing, of its decision, the specific reasons for the decision and the provisions of PRPIP upon which the decision is based.

Final Appeal

If your claim for benefits is still fully or partially denied by the Intermediate Appeals Committee, you may request a review of the decision by filing a *Notice of Final Appeal* with the Final Appeals Committee of the Board of Directors of Wespath. You must file the notice with the Final Appeals Committee within 90 days after the date on which you receive the Intermediate Appeals Committee's written decision. You may submit comments and supporting documents to the Final Appeals Committee for its consideration. If the notice is not filed in a timely manner, the Intermediate Appeals Committee's decision to fully or partially deny your claim for benefits will be final.

To allow sufficient time for handling and processing, you must file the notice and any supporting documents at least 30 days before the Final Appeals Committee's next meeting. Appeals filed fewer than 30 days before a Final Appeals Committee meeting may not be heard until the following meeting (which could be some months later). If special circumstances require an extension of time for processing, Wespath will notify you. Your hearing may be continued upon your request, upon the request of Wespath or at the discretion of the Final Appeals Committee.

You, your duly authorized representative or a representative of your Plan Sponsor may request to appear personally or by teleconference before the Final Appeals Committee, subject to the conditions and limitations of the Final Appeals Committee. However, you, your representative or your Plan Sponsor will be responsible for any expenses associated with the appearance.

The Final Appeals Committee will conduct a review of your final appeal and send its decision to you within 15 days of the date on which the Final Appeals Committee makes its determination. The Final Appeals Committee's decision will be in writing and will include the specific reasons for its decision and the PRPIP provisions upon which its decision is based. The Final Appeals Committee's decision is final.

Your Responsibilities

You may not initiate or maintain any cause of action in law or equity until you have initiated and completed the claims and appeal process. Upon completion of the appeal process, you must initiate any cause of action within six months after the date of the written notice from Wespath regarding the final denial of your appeal.

If you do not appeal a claim denial within the timeframes noted, you will waive your right to file an appeal or a lawsuit at a later date. If the Intermediate Appeals Committee or the Final Appeals Committee does not make a decision or respond within the timeframes noted, you should consider the claim denied, and you may proceed to the next step of the claims procedure.

TAXATION CONSIDERATIONS

You may owe taxes on all of the amounts paid to you under PRPIP plus any outstanding loan balances and unpaid interest.

Taxes While Your Account Is in PRPIP

Taxes are deferred on the Before-Tax Contributions you and your Plan Sponsor make to PRPIP when they are credited to your Account, and any earnings thereon (as well as on earnings on any After-Tax Contributions in your Account), as long as this money remains in PRPIP and within your contribution limits. (Please see the “Contribution Limitations and Excess Contributions” section on page 17.) This tax deferral may provide significant advantages to you in increasing the value of your Account, because earnings can compound on amounts not reduced by taxes.

Taxes When Your Account Is Paid

When you receive a distribution of your Account, the money you receive, excluding any After-Tax Contributions, is considered taxable as ordinary income, except that a 100% lump sum distribution of your Account balance is subject to capital gains tax. Wespeth will report the gross distribution amount to you and the Puerto Rico Department of Treasury. You will receive a notice describing the taxability of your distribution from us before the distribution.

Mandatory Withholding

If you take a distribution of your entire account balance at one time before ending your service with the Church, it is subject to an automatic 20% income tax withholding. This is true even if you intend to receive the distribution and roll it over into another eligible retirement plan within 60 days.

If you elect a partial lump sum distribution or retirement income, the distributed funds are subject to 10% income tax withholding. Wespeth will take any income exemption provided by the Puerto Rico Department of Treasury into account when determining withholding.

To avoid the mandatory 20% income tax withholding, you may request a direct rollover. If you request a direct rollover, Wespeth will directly pay the qualified plan or IRA of your choosing. The portion that is directly rolled over is not subject to immediate taxation. Any portion that is not directly rolled over will be subject to a mandatory 20% income tax withholding.

Tax laws are complex and change often. This SPD contains only a partial discussion of taxes. Because Wespeth cannot provide you with tax advice, it is in your best interest to seek the advice of a qualified tax advisor before receiving distributions. This will help ensure that you receive up-to-date information that applies to your own personal tax situation.

OTHER INFORMATION YOU SHOULD KNOW

Assignment of Benefits and Qualified Domestic Relations Orders (QDROs)

Your Account is held for your benefit and may not be sold, assigned, transferred, pledged or garnished under most circumstances, and is not subject to your debts or liabilities. Except as provided below, attempts to alienate, sell, transfer, assign or pledge your Account will be considered void.

However, if you become divorced or separated, certain court orders could require that part of your benefit be paid to someone else—your Spouse, former Spouse or children, for example. These court orders are commonly referred to as qualified domestic relations orders (QDROs). As soon as you are aware of any court proceedings that may affect your PRPIP benefits, contact Wespath.

When Wespath receives a domestic relations order, Wespath will notify you and send you a copy of the procedures for determining the qualified status of the order. Within a reasonable period of time after the receipt of the order, Wespath will determine whether the order is a QDRO and will notify you and each person named in the order, in writing, of the determination.

If a claim is submitted to PRPIP with respect to your Account while Wespath is determining whether an order related to your Account is a QDRO, we will suspend payment of all or any portion of your benefits otherwise due until the order is determined to be a QDRO or not. If the order is determined to be a QDRO, any person named to receive benefits under the QDRO (an Alternate Payee) will be assigned the specified portion of your Account with the same rights and responsibilities as a Terminated Participant.

If you are in the process of a divorce or other domestic relations proceeding and would like more information about QDROs or a sample form to give to your attorney, contact Wespath.

All rights provided to a Terminated Participant under PRPIP will be afforded to an Alternate Payee under a QDRO. A distribution to an Alternate Payee may be permitted even if the affected Participant is not yet eligible for a distribution.

In addition to QDROs, your Account could be garnished, assigned or alienated under an Puerto Rico Department of Treasury tax levy, for the payment of health plan premiums that you authorize, for the benefit of another plan administered by Wespath if you have received an overpayment under such plan or if you make a voluntary, revocable assignment in writing that is accepted by Wespath after your Account is eligible to be paid to you.

USERRA and the HEART Act of 2008

Contributions, benefits and Service credit with respect to qualified military service will be provided in accordance with the provisions of USERRA and the HEART Act. If you have had a period of military service during your employment, contact your Plan Sponsor or Wespath to learn whether you qualify for additional Service credit, the right to make Before-Tax and catch-up contributions, the right to receive Plan Sponsor contributions relating to the period of your military service or the right to take a distribution.

How Unclaimed, Relinquished or Disclaimed Benefits Can Be Delayed or Forfeited

You are entitled to the vested portion of your PRPIP Account. This portion is payable to you except in the following circumstances:

- You do not notify Wespath when you (or your Beneficiary's) address changes, and we cannot locate you (or your Beneficiary) when benefits are due (for instance, at your required beginning date or when you terminate employment with an Account balance in all Wespath-administered plans totaling less than \$5,000). In such a case, we will send a notice by certified letter, with return receipt requested, to the last address we have on file. If you fail to contact us within 12 months after the notice, your benefits will be forfeited and become the benefits of your Beneficiary (including any successor or default Beneficiary). If your Beneficiary(ies) fails to contact Wespath within 12 additional months after notification, the benefits will be forfeited and become the benefits of your next successor Beneficiary under the foregoing procedure. If none of your Beneficiaries claims the benefits in a timely fashion, they will be forfeited and used by Wespath to defray administrative expenses of PRPIP.
- Wespath issues a check for benefits that is not returned or cashed within a reasonable period of time. In such a case, those benefits may be forfeited and used by Wespath to defray the administrative expenses of PRPIP. Uncashed checks returned to Wespath because the payee is missing or for other reasons are handled as described above (given to your Beneficiary, etc.).
- You relinquish (i.e., permanently renounce) your benefits. In such a case, your relinquished benefits will be forfeited and used by Wespath to defray the administrative expenses of PRPIP.
- Your Beneficiary Disclaims all or any portion of an Account due, provided that the Disclaimer is in writing in a form acceptable to Wespath and it is done before receiving the benefit. A Disclaimer is a voluntary waiver. The person who Disclaims is treated as having predeceased the Participant enrolled in PRPIP, and the benefit is paid to the next Beneficiary in line.
- You terminate employment for any reason before your Account balance is 100% vested and incur a one year or longer Break-in-Service. In such a case, you will forfeit—or release your claim to—the unvested portion of your Account balance. If this happens, the forfeited amount will be returned to your Plan Sponsor for use as future contributions for the benefit of other Participants.

Please keep Wespath apprised of your current address and phone number, even after you terminate employment with your Plan Sponsor. If we do not have a current address for you, you risk forfeiting your Account.

Non-Reversion

All contributions made by Plan Sponsors are irrevocable and cannot be repaid to the Plan Sponsor, except in the situations listed below:

- If the Puerto Rico Department of Treasury determines that PRPIP is not qualified under Code section 1081.01 or makes some other determination that Wespath believes makes PRPIP unworkable, provided Wespath does not succeed in challenging that determination, PRPIP may terminate on notice by Wespath to all participating Plan Sponsors, and all contributions (adjusted for any gains or losses) will be returned to the Plan Sponsors or to the Participants.
- If PRPIP terminates or if the Plan Sponsor's sponsorship terminates, and there are monies remaining after the satisfaction of all fixed and contingent liabilities under PRPIP, the monies will revert to the applicable Plan Sponsor.
- If the Plan Sponsor or Salary-Paying Unit makes a contribution by mistake, the Plan Sponsor or Salary-Paying Unit may request its return by sending a written request to Wespath within one year after the contribution was made along with documentation of such mistake. Wespath may then return the mistaken contribution.
- Wespath may also return mistaken contributions on its own within 30 days. If the Plan Sponsor or Salary-Paying Unit does not notify Wespath as described above, the erroneous contribution will be permanently forfeited and used to defray the administrative expenses of PRPIP.

Ineligible Participation

If you are not eligible to participate in PRPIP, you will forfeit all rights to the Plan Sponsor Contributions and any earnings that were made during the period of ineligibility. Wespath will refund the Contributions to your Plan Sponsor if your Plan Sponsor notifies us within one year. Any Contributions made more than one year in the past will be used by Wespath to defray the administrative expenses of PRPIP. Wespath will refund any and all Participant Contributions to your Plan Sponsor, which should refund them to you.

If PRPIP is Terminated or Modified

PRPIP may be terminated, suspended or modified at any time. Wespath is authorized to amend or terminate PRPIP at any time, as long as any amendment does not retroactively reduce an accountholder's Account balance or degree of vesting.

In addition, the Plan Sponsor may amend the elective provisions of its Adoption Agreement. The Plan Sponsor also may terminate its participation in PRPIP at any time, provided Wespath is properly notified 90 days in advance of the termination date and the Plan Sponsor's Employees are properly notified 30 days in advance of the termination date.

If PRPIP is terminated, or if your Plan Sponsor terminates its participation in PRPIP, your Account will be fully vested and will either remain in PRPIP or be distributed according to the provisions of PRPIP. If your Plan Sponsor terminates participation, your PRPIP Account may be merged, consolidated or transferred to another plan, as described below. If your Account remains with PRPIP, your Plan Sponsor must notify Wespath when you terminate or Retire.

If PRPIP Is Merged, Consolidated or Transferred

The Plan Sponsor is entitled to merge its portion of PRPIP with, consolidate its assets with or transfer its assets to another Code section 1081.01 (a) or (d) plan, provided that its participation in PRPIP is properly terminated and that the PRPIP trustee consents. Your Account will not be reduced because of a merger, consolidation or transfer.

Plan Sponsors

PRPIP is sponsored by the Puerto Rico Methodist Church.

Plan Administrator

PRPIP is administered by Wespath and any successors. The Plan Administrator may be reached at:

1901 Chestnut Avenue
Glenview, Illinois 60025-1604
1-800-851-2201

In its role as Plan Administrator, Wespath keeps records for PRPIP and is responsible for its administration in accordance with its terms. The Plan Administrator has authority and sole discretion to interpret the terms of PRPIP, develop rules and make determinations on questions that may affect your eligibility for benefits and benefit amounts.

PRPIP Name, Type and Year

The name of PRPIP is the Puerto Rico Personal Investment Plan. PRPIP is a church-sponsored qualified plan under Code sections 1081.01(a) and (d), with Supplement One being a defined benefit plan, under Code section 1081.01(a). All other portions of PRPIP are a defined contribution plan, under Code sections 1081.01(a) and (d).

PRPIP is intended to meet the requirements of a “church plan” under Employee Retirement Income Security Act (ERISA) section 3(33) and to be exempt from the provisions of ERISA under ERISA section 4(b) and 4021(b)(3) to the extent permitted under those provisions and other applicable laws. PRPIP is administered on a plan-year basis, beginning on January 1 of each year and ending on December 31 of that same year.

Securities Laws

PRPIP is a church plan that is 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. Similarly, the administrator and the trustee of PRPIP and the entities maintaining any investment funds under PRPIP are not subject to those provisions of those Acts or laws. Therefore, Participants enrolled in PRPIP and Beneficiaries will not be afforded the protection of those provisions.

Agent for Service of Legal Process

Any legal process related to PRPIP should be served on:

CT Corporation
361 San Francisco St., PH
San Juan, Puerto Rico 00901

PRPIP Trustee

All PRPIP assets are held in a trust, called the Pension Trust of The Puerto Rico Methodist Church, which is qualified under Code section 1081.01(a), or they may be held in one or more other trusts or insurance contracts. The trustee pays all PRPIP benefits from the trust. The trustee for PRPIP is the UMC PR Benefits Board, Inc., and any successors. The trustee can be reached at:

1901 Chestnut Avenue
Glenview, Illinois 60025-1604

GLOSSARY

Account means the aggregate of the separate recordkeeping entries maintained by Wespath for the purpose of recording Contributions adjusted for any applicable debits or credits. Any reference to “Account” refers to all of the Accounts maintained in your name under PRPIP, unless the context otherwise requires.

Accounting Date means each business day of each calendar year and any other date upon which your contributions, debits or credits with respect to your Account are made.

Adoption Agreement means the agreement executed by your Plan Sponsor and accepted by Wespath as a part of PRPIP and is the means by which your Plan Sponsor adopts PRPIP, becomes the Plan Sponsor and specifies any optional provisions.

After-Tax Contributions mean your Contributions to PRPIP made in accordance with your election to contribute a portion of your Compensation after income taxes are withheld.

Alternate Payee means your Spouse, former Spouse, child or other dependent entitled to receive a portion of your Account under a qualified domestic relations order (QDRO).

Automatic Enrollment means your Plan Sponsor election to automatically begin Before-Tax Contributions to PRPIP for you, if eligible, unless you elect otherwise. Your Plan Sponsor will automatically reduce your Compensation by the amount it elected on its Adoption Agreement. Your Plan Sponsor will remit the amount withheld to your PRPIP Before-Tax Contributions Account.

Before-Tax Contributions mean your Contributions to PRPIP in accordance with your election to contribute a portion of your Compensation before taxes are withheld. Compensation contributed to PRPIP on a before-tax basis will not be taxed until it is distributed from PRPIP.

Beneficiary means the person(s) (including an estate) to whom Wespath will pay your PRPIP Account if you die before receiving a distribution of your entire Account.

Beneficiary Designation form means the form on which a Participant, Terminated Participant, Beneficiary or Alternate Payee specifies his or her Designated Beneficiary for acceptance by Wespath.

Break-in-Service means a period of time beginning on the day you terminate employment or Retire from the Plan Sponsor and ending on the day you are re-employed by the same Plan Sponsor.

The Book of Discipline (“the *Discipline*”) means *The Book of Discipline of the Puerto Rico Methodist Church 2010* – a body of church law established by the General Conference, as amended from time to time.

Clergy or Clergy person means a person who is:

- a Full Member, a Provisional Member, or an Associate Member of the Puerto Rico Methodist Church, but not including a Bishop; or;
- a Local Pastor who has been previously approved by the Plan Sponsor’s board of ordained ministry (as further described in ¶1436 of the *Discipline*) and classified as eligible for Appointment as a Full-Time Local Pastor or Part-Time Local Pastor.

Clergy Employee means an Employee who is:

- a Clergy person Under Episcopal Appointment; or
- a Clergy person on a Leave of Absence from the Plan Sponsor; or
- a Bishop

Code means the Puerto Rico Internal Revenue Code for a New Puerto Rico, as amended from time to time.

Compensation means the sum of all compensation paid or made available by the Plan Sponsor or a Salary-Paying Unit to you in the Plan Year, including:

- your wages, salaries, fees for professional services, and other amounts received from the Plan Sponsor or a Salary-Paying Unit (without regard to whether or not an amount is paid in cash) for personal services actually rendered in the course of employment with the Plan Sponsor to the extent that the amounts are includable in gross income (including, but not limited to, bonuses, fringe benefits, and reimbursements or other expense allowances under a nonaccountable plan, but excluding severance pay that would not have been paid but for a severance from employment);
- amounts received in connection with accident or sickness, but only to the extent that these amounts are includable in your gross income;
- amounts includable in your gross income that were 1) was paid for, or as reimbursements of, moving expenses; and 2) were received under the doctrine of constructive receipt;
- any elective contributions excluded from income under Code §1081.01 or other before-tax contributions deferred from taxable compensation to a plan qualified under the Code; and
- when a parsonage is provided to the Participant as part of his or her compensation and/or cash is provided by the Plan Sponsor or a Salary-Paying Unit that is excluded from taxable cash salary pursuant to Code §1031.02(a)(5) (housing allowance), 25% of the sum of the Participant's compensation described above.

The term "Compensation" does not include:

- Non-Elective Contributions made by the Plan Sponsor to the Plan, or distributions from a plan of deferred compensation, regardless of whether such amounts are includable in your gross income when distributed (however, any amounts received by you pursuant to an unfunded nonqualified plan will be considered as "Compensation" in the year the amounts are includable in your gross income);
- Other amounts that receive special tax benefits, such as premiums for group-term life insurance (but only to the extent that the premiums are not includable in your gross income); or
- Amounts paid after severance from employment unless they were compensation paid for services rendered before severance from employment and merely delayed for a reasonable time thereafter.

Your Compensation considered for any Contributions made with respect to plan year 2017 may not exceed \$270,000, as adjusted for cost-of-living increases in accordance with Code section 1081.01(a)(12).

Contribution means the amount your Plan Sponsor remits to your PRPIP Participant and/or Plan Sponsor Account.

Disclaim means that you or your Beneficiary refuses or waives a benefit before receiving it, such that it passes to another person, such as a successor Beneficiary.

Eligible Designated Beneficiary (as defined in the SECURE Act for Required Minimum Distribution purposes) means a designated Beneficiary who is a surviving Spouse, a designated Beneficiary who is not more than 10 years younger than the Participant, a chronically ill individual as defined in Internal Revenue Code section 7702B(c)(2), a disabled individual as defined in Internal Revenue Code section 72(m)(7) or a minor until the age of majority, who is receiving or entitled to receive a benefit under PRPIP.

Employee means a Clergy person Under Episcopal Appointment to a Salary-Paying Unit, a Bishop or any person who is currently employed (in the common-law sense) by the Plan Sponsor or who is a leased Employee with respect to your Plan Sponsor, but such term excludes any person who is employed as or through an independent contractor or any nonresident alien who receives no earned income from the Plan Sponsor that constitutes income from sources within Puerto Rico. If you are disabled or on a Leave of Absence, you are deemed to be an Employee until you incur a Break-in-Service.

Employer means the entity that employs you (in the common-law sense), which is the Puerto Rico Methodist Church.

HEART Act of 2008 means the Heroes Earnings Assistance and Relief Tax Act. It requires that employers fund pension benefits and make certain types of plan sponsor contributions for a participant who died or became disabled on a qualified military leave.

Incapacity Leave means a conference relationship specified in either ¶451 of the *Discipline*.

Lay Employee means any Employee who is not a Clergy Employee.

Leave or Leave of Absence means your period of absence from performing your duties for the Plan Sponsor with your Plan Sponsor's approval, provided that you return to work when the Leave authorization ends (or you Retire before then).

Month of Service means a calendar month during which you receive credit for eligibility and/or vesting, which is generally a calendar month for any part of which you are directly or indirectly paid for the performance of duties or paid for vacation, holiday, illness, disability or other paid leaves.

Participant means a person who qualifies or once qualified for PRPIP enrollment, including an Employee who has retired.

Participant Contributions mean Contributions to your PRPIP Account remitted by your Plan Sponsor from your Compensation on an after-tax or before-tax basis.

Plan Sponsor means the Puerto Rico Methodist Church.

Plan Sponsor Contributions mean Contributions to your Account by the Plan Sponsor of any of the following kinds:

- non-matching contributions;
- conditional contributions;
- matching contributions;
- qualified non-elective contributions; or
- discretionary contributions.

PRPIP means the Puerto Rico Personal Investment Plan, as reflected in the official plan document as amended, including any applicable Adoption Agreements, amendments or supplements hereto.

Qualifying Rollover Distribution means any total or partial distribution to you that qualifies for rollover under Code §1081.01(b)(2)(A). Under applicable Puerto Rico law if you wish to roll a distribution over to another plan, 100% of the distribution (except after-tax contributions) must be rolled over. You may not roll a portion and take a distribution of a portion.

Required Beginning Date means, with regard to a Participant who is required to begin receiving RMDs no later than attainment of RMD age, April 1 of the calendar year following the later of the calendar year in which the Participant:

- Retires or incurs a Termination of Employment, or for a Clergy Employee, incurs a Termination of Employment and a Termination of Conference Relationship; or
- attains attains RMD age (between age 70 ½ and 75, depending on their birthdate).

In the context of a Beneficiary, Required Beginning Date means the day RMDs must begin as stated in IRS Regulations.

Required Minimum Distribution means the amount that a Participant must begin receiving from his or her Retirement Accounts by his or her Required Beginning Date. Required Minimum Distribution amounts must then be distributed each subsequent year. IRS Regulations also establish minimum distributions for surviving Spouses and other Beneficiaries.

Retire or Retirement means Termination of Employment pursuant to the Puerto Rico Methodist Church's retirement policy or, in the case of Clergy, a change from another relationship to the retired relationship with the Puerto Rico Methodist Church.

Salary-Paying Unit means any one of the following associated with the Puerto Rico Methodist Church and located in Puerto Rico:

- the conference office;
- a local church; or
- any other entity to which a Participant is appointed.

Salary-Reduction Agreement means an agreement between you and your Plan Sponsor or Salary-Paying Unit that specifies the amount or percentage of your Compensation to be withheld on a before-tax or after-tax basis and remitted by your Plan Sponsor or Salary-Paying Unit to your Participant Contributions Account.

Service means a period of time measured in months during which you earn one or both of the following:

- eligibility service; and/or
- vesting service.

Spouse means your husband or wife or surviving husband or wife who is legally married to you or was legally married on the date of your death, under the laws of the jurisdiction where you reside or resided. Notwithstanding the foregoing, the term "Spouse" does not include common-law spouses, even in jurisdictions that recognize common-law marriage.

Supplement One means the frozen remainder of the Personal Investment Plan (PIP), which has been preserved as Supplement One to PRPIP.

Terminated Participant means a Participant who has incurred a Termination of Employment.

Termination of Employment for Lay Employees means your resignation from or dismissal for any reason by the Puerto Rico Methodist Church or your death or retirement. For Clergy Employees, Termination of Employment occurs when you cease to be a member of the Puerto Rico Methodist Church, including by reason of:

- being honorably located within the meaning of ¶453 of the *Discipline*,
- your withdrawal within the meaning of ¶454 of the *Discipline*,
- the surrender of your ministerial credentials within the meaning of ¶454.3 and ¶924.2 of the *Discipline*,
- the surrender of your local pastor's license within the meaning of ¶442 of the *Discipline*,
- the discontinuance of his or her Provisional Membership within the meaning of ¶420.6 of the *Discipline*,
- a penalty assessed by a trial court within the meaning of ¶¶922h.3 and 922h.4 of the *Discipline*; or
- transferring your membership to any denomination other than the Puerto Rico Methodist Church.

USERRA means the Uniformed Services and Reemployment Rights Act. It requires that employers fund pension benefits and make certain types of plan sponsor contributions that a re-employed participant did not receive due to qualifying military service.

Wespath administers Puerto Rico PIP and other retirement, health and welfare benefits and investments. Wespath is a general agency of The United Methodist Church.



Wespath

BENEFITS | INVESTMENTS

1901 Chestnut Avenue
Glenview, Illinois 60025-1604
wespath.org