



## SUMMARY PLAN DESCRIPTION

# UMLifeOptions

*Effective January 1, 2009*

An employee welfare benefits plan for clergy and lay employees of sponsoring United Methodist Conferences and affiliated employers



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## WELCOME

Wespath has prepared this Summary Plan Description (SPD) to help you understand your welfare benefit plan coverage. Please read it carefully.

## ABOUT THE PLAN

Wespath maintains the *UMLifeOptions* Plan (Plan) for the benefit of Clergy and Lay Employees (and their Dependents) of The United Methodist Church. The Plan is composed of several component plans.

- The Plan provides long-term disability (LTD) income protection benefits, life insurance benefits, or both for Lay Employees and certain eligible Clergy through the Lay Long-Term Disability and Life Insurance Plan.
- The Plan provides life insurance benefits to Clergy that supplement the death benefits provided by the Comprehensive Protection Plan (CPP) through the Clergy Supplemental Life Insurance Plan.
- The Plan also provides voluntary life insurance benefits, which Lay Employees and Clergy who are enrolled in life insurance coverage under *UMLifeOptions* or eligible Clergy enrolled in CPP (whose Conference is a Plan Sponsor) may choose to purchase through the Optional Life Insurance Plan.

*UMLifeOptions* is a successor plan to the Basic Protection Plan (BPP), which Wespath has amended and restated. BPP is no longer an active benefit plan for participants and eligible persons thereunder; it is terminated with respect to active participants. However, a portion of BPP will continue as a frozen plan, through which Wespath will continue to provide certain benefits to claimants receiving disability benefits from BPP as of December 31, 2008, and to former participants who have a claim relating to a date before January 1, 2009.

*UMLifeOptions* is a Church Plan as defined in §414(e) of the Internal Revenue Code (Code), as amended, and §3(33) of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan's status as a Church Plan has significant legal consequences; you can read more about this in the section titled *Applicable Law*.

## THE TRUST

Wespath has established the Employee Welfare Benefit Trust of The United Methodist Church (Trust) to support the Plan. The Trust is the policyholder of the insurance policies that provide the benefits under the Plan, and is the holder of assets related to the Plan. The Trust manages the Plan's assets as a prudent investor and custodian in the best interest of the Plan and its Participants.

Participating employers, i.e., the Conferences and other employers associated with The United Methodist Church, agree to be a part of the Plan and have their Lay Employees and Clergy covered by the Policies held by the Trust when they execute Adoption Agreements for the Plan.

## ABOUT WESPATH

The General Conference established Wespeth as a general agency to supervise and administer employee benefit plans of The United Methodist Church. Wespeth, in accordance with the provisions of *The Book of Discipline*, administers *UMLifeOptions* for the benefit of its Participants to better enable them to serve the Church.

Wespeth is a not-for-profit administrative agency of The United Methodist Church that administers retirement, health and welfare benefit plans, programs and funds for more than 74,000 active and retired Clergy and Lay Employees of the Church. Wespeth plans, programs, services and policies are designed to serve and support the financial well-being of participants and their families in accordance with the values and principles of The United Methodist Church. You can help Wespeth be a good steward for the Church by ensuring that the information you provide to your Plan Sponsor, Wespeth and the Insurer is timely and accurate.

You can learn more about Wespeth, and all of the benefit plans it administers, on its website at **[www.wespeth.org](http://www.wespeth.org)**.

## EXPLANATION OF TERMS

You will find terms starting with capital letters throughout this SPD. Most of these terms are explained in the *Definitions* section of this SPD; others may be defined within the text.

## PLAN SPONSOR

Your Plan Sponsor is your employer, which is an Affiliated Organization or Conference through which you have coverage under the Plan. Your Plan Sponsor has elected to participate in the Plan through an Adoption Agreement with Wespeth. By executing an Adoption Agreement your Plan Sponsor has adopted the Plan and has become a participating employer in the Plan and Trust. Your Plan Sponsor must abide by the terms of the Plan and the Policies.

If you have questions about your benefits under the Plan, you may contact your Plan Sponsor or Wespeth.

## INSURER

The Insurer for the Plan is Unum Life Insurance Company of America. Wespeth has engaged the Insurer through contracts and policies of insurance (Policies) to provide the benefits under the Plan. The Policies provide the benefits to Plan Participants and beneficiaries, and the Insurer administers, underwrites, insures the benefits and adjudicates all benefit Claims and Claim appeals.

Wespeth has assigned many administrative duties to the Insurer with respect to the Plan. In addition, Wespeth has delegated certain fiduciary responsibilities and duties to the Insurer, pursuant to the terms of the Policies that govern the Plan. The Insurer makes all determinations and adjudications of Claims for Plan benefits. The Insurer also has the authority to hear and decide appeals of denied Claims for benefits under the Plan. Wespeth does not have the authority to hear or overturn the determinations of the Insurer related to benefits. Please contact Wespeth if you have questions regarding the manner in which the Insurer and Wespeth share duties under the Plan.

## INSURANCE POLICIES

The benefits under the Plan are provided through Policies of insurance issued by the Insurer. **As such, the terms of those Policies will supersede the terms of this SPD where there is a conflict between the documents.** The Policies include the Summary of Benefits that the Insurer issues to the Trust and your Certificate of Coverage. If the terms and provisions of your Certificate of Coverage are different from the Summary of Benefits (issued to the Trust), the Summary of Benefits will govern. The Policies are delivered in and are governed by the laws of the State of Maine.

This SPD is intended to help you understand the eligibility rules and the general structure of the Plan; it is not intended to supersede the Policies. The Policies issued by the Insurer are the determinative documents for the benefits under the Plan. The Policies will provide a complete Plan description of benefits, exclusions, Claims and appeals procedures and other important rules.

The Policies set certain eligibility rules that you must satisfy to be covered. In some respects the Policies refer to Wespath's eligibility rules; for example, in the Policies' definitions of "lay employee" and "clergy." This SPD describes Wespath's eligibility rules to which the Policies refer.

## CERTIFICATE OF COVERAGE

When you become covered under the Plan or any of its component plans, the Insurer will issue you a document called a Certificate of Coverage. You should read your Certificate of Coverage carefully and keep it in a safe place. The Insurer has attempted to write your Certificate of Coverage in easily understandable language. However, a few terms and provisions are written as required by insurance law. If you have any questions about any of the terms and provisions, please contact the Insurer. Your Certificate of Coverage is part of the Policies that determine your benefits under the Plan.

## YOUR RESPONSIBILITY TO PROVIDE ACCURATE INFORMATION

Wespath and the Insurer rely on information you provide when evaluating coverage and benefits under the Plan. **Therefore, all information you provide must be accurate, truthful and complete.** Any fraudulent statement, omission or concealment of facts, misrepresentation or incorrect information may result in the denial of a Claim, cancellation or rescission of coverage, or any other legal remedy available to the Plan and Insurer.

It is a crime to knowingly defraud or deceive the Insurer, or intentionally provide any information, including filing a Claim, which contains any false, incomplete or misleading information. These actions will result in the denial of your claim, and are subject to prosecution and punishment to the full extent under state and federal law. The Insurer will pursue all appropriate legal remedies in the event of insurance fraud.

## QUESTIONS

If you have questions about the benefit plans administered by Wespath, please do not hesitate to contact us. For more information, please visit Wespath's website at **[www.wespath.org](http://www.wespath.org)** or call Wespath at **1-800-851-2201**.

## IMPORTANT NOTICES

### RIGHT TO AMEND THE PLAN

Wespath reserves the right to amend or modify the Plan in any manner, for any reason permitted by law, at any time and without prior notice.

### RIGHT TO TERMINATE THE PLAN

Wespath has reserved the right to terminate the Plan, for any reason permitted by law, at any time and without prior notice.

### COVERAGE NOT VESTED OR GUARANTEED

Coverage under this Plan as Clergy, an Employee or as a Retired Clergy or Retired Employee is not a vested benefit—i.e., it is not guaranteed to continue. Wespath unequivocally reserves the right to amend or terminate *UMLifeOptions* or any of its component plans at any time. In addition, your Plan Sponsor has reserved the right to terminate its participation in the Plan and any of its component programs, subject to the conditions of its Adoption Agreement with Wespath. If your Plan Sponsor terminates its *UMLifeOptions* participation, your coverage under the Plan terminates. In addition, your Plan Sponsor may have reserved the right to terminate entirely its sponsorship of a group life insurance plan and disability benefits plan.

### PRIVACY OF INFORMATION

The privacy of your personal information is very important to Wespath and the Insurer. Wespath, Insurer, other Plan representatives and agents and their personnel will comply with federal and state privacy laws and regulations that are applicable to the Plan.

### THE PLAN IS NOT A CONTRACT OF EMPLOYMENT

Nothing contained in this SPD, the Plan or its Policies will be construed as a contract or condition of employment between Wespath, any Plan Sponsor or any other employer and any Employee. All Employees are subject to discharge to the same extent as if their employer had never adopted the Plan.

## PLAN COMPONENTS

The Plan is composed of three separate programs:

- Lay Long-Term Disability (LTD) and Life Insurance Plan
- Clergy Supplemental Life Insurance Plan
- Optional Life Insurance Plan

### LAY LTD AND LIFE INSURANCE PLAN

The Lay LTD and Life Insurance Plan provides LTD income protection benefits and life insurance benefits for eligible active and retired Lay Employees, and for certain Clergy who are not eligible for coverage under CPP. The Lay LTD and Life Insurance Program has two sub-plans. One sub-plan is the LTD portion of the plan (Lay LTD Plan) and the other is the life insurance portion of the plan (Lay Life Plan). Each sub-plan has eligibility rules and benefit features that are established by the Policies and by the choices your Plan Sponsor makes on its Adoption Agreement.

Your Plan Sponsor may elect to sponsor the Lay LTD Plan or the Lay Life Plan or both. Check with your Plan Sponsor to determine which *UMLifeOptions* plans it has adopted. Your Plan Sponsor can sponsor one of these plans without sponsoring the other.

Your Plan Sponsor pays for your coverage in the Lay LTD Plan and the Lay Life Plan.

#### **CLERGY SUPPLEMENTAL LIFE INSURANCE PLAN**

The Clergy Supplemental Life Insurance Plan provides life insurance coverage for a Plan Sponsor's eligible active and retired Clergy who are eligible for and enrolled in CPP. The life insurance provided through the plan adds to the coverage provided under CPP. Your Plan Sponsor determines certain eligibility rules, the benefit features and coverage amounts available to you through its Adoption Agreement. Your Plan Sponsor pays for your coverage in the Clergy Supplemental Life Insurance Plan.

#### **OPTIONAL LIFE INSURANCE PLAN**

The Optional Life Insurance Plan provides voluntary life insurance benefits to actively-at-work Lay Employees and Clergy who are eligible for and enrolled in the Lay Life Plan. The Optional Life Insurance Plan also provides voluntary life insurance benefits to actively-at-work Clergy of Plan Sponsors who adopt the Optional Life Insurance Plan through an Adoption Agreement as long as the Clergy also are eligible for and enrolled in CPP and meet the eligibility requirements of the Policies. The Optional Life Insurance Plan allows eligible Employees of Plan Sponsors to enroll in and purchase additional voluntary life insurance through the Insurer. Your Plan Sponsor does not pay for coverage in the Optional Life Insurance Plan; you must pay the Required Premiums for that coverage. Bishops of the Central Conferences are not eligible for the Optional Life Insurance Plan even if covered in the Lay Life Plan.

### **ELIGIBILITY**

If you are appointed to or work for a Plan Sponsor of one or more *UMLifeOptions* plans, you may be eligible for coverage. Your eligibility depends on the rules of the Plan, the requirements of the Insurance Policies and the choices of your Plan Sponsor in its Adoption Agreement. Contact your Plan Sponsor or Wespath if you have questions about your eligibility under the Plan. The descriptions below explain the general rules that govern eligibility under the Plan.

#### **WORKING FOR THE CHURCH**

First, to be eligible for the Plan, you must be considered an employee of The United Methodist Church or a Disaffiliated Church, by the Internal Revenue Service (IRS) under the Code. Generally, you must be a clergyperson serving The United Methodist Church, a common-law employee of an Affiliated Organization or a Disaffiliated Church. This is the basic rule to participate in a Church Plan as described in Sections 414(e)(3) and 7701(a)(20) of the Code.

#### **WORKING FOR A PLAN SPONSOR**

Second, you must be working for a Plan Sponsor of the Plan. That means that the Conference or employer that you work for or are appointed to must have executed an Adoption Agreement for the Plan with Wespath. An Adoption Agreement is a contract through which a Plan Sponsor agrees to cover its Employees in the Plan, promises to abide by the terms of the Plan, and assumes certain duties and obligations. In its Adoption Agreement, a Plan Sponsor indicates which of the *UMLifeOptions* plans it wishes to sponsor and chooses certain eligibility requirements, such as required hours of work, waiting periods, as well as elimination periods, levels of benefits and optional features of each plan.

## **PLAN REQUIREMENTS**

Third, to be covered under the Plan, you must meet the threshold requirements (e.g., minimum hours worked) that are established by the Policies. The Plan has established certain basic requirements for an Employee of a Plan Sponsor to be eligible for coverage under each plan in *UMLifeOptions*.

## **PLAN SPONSOR REQUIREMENTS**

Finally, you must meet any additional requirements for eligibility established by your Plan Sponsor through its Adoption Agreement choices. These additional requirements may include a greater required number of hours worked, higher minimum age or a greater number of years of service (for retiree coverage). A Plan Sponsor will indicate these added requirements on its Adoption Agreement, which becomes part of the Plan with respect to your eligibility. You should inquire with your Plan Sponsor or Wespath for more information about your Plan Sponsor's Adoption Agreement choices.

Your Plan Sponsor has a duty to clearly communicate to you any additional eligibility requirements for coverage. If you do not meet the criteria your Plan Sponsor establishes through its Adoption Agreement, you are not eligible for the Plan.

## **LAY LTD PLAN AND LAY LIFE PLAN ELIGIBILITY**

The Lay LTD Plan and Lay Life Plan cover Lay Employees of Plan Sponsors. Generally, you must be a common law employee of your Plan Sponsor to be eligible for these plans.

However, certain Clergy may be eligible for these plans.

## **Clergy at Non-Conference Plan Sponsors**

If you are a Clergy person appointed to an employer (a non-Conference entity), and that Plan Sponsor has not adopted CPP but has adopted *UMLifeOptions* to cover its Lay Employees, then you will be eligible for the Lay LTD and Life Insurance Plan of your Plan Sponsor as though you were a common law employee, subject to the same eligibility rules as Lay Employees for your Plan Sponsor. This rule will not apply to local churches with an appointed Clergy person who could be eligible for CPP through the Conference.

## **Clergy Not Eligible for CPP at Conferences**

If you are a Clergy person who is not eligible to participate in CPP and your Plan Sponsor, which is a Conference, has elected to cover your class of Clergy under the Lay LTD and Life Insurance Plan, you may be eligible for coverage subject to the rules of the Plan and the elections of your Plan Sponsor in its Adoption Agreement. A Conference can elect to cover Clergy, e.g., part-time local pastors and certain members of other denominations under Episcopal appointment who are not eligible for coverage in CPP, and who are appointed to one of the following entities:

- Local church or pastoral charge located in the Conference;
- A Conference-responsible unit (as provided in ¶344.1(a)(1) of *The Book of Discipline*) located within the Conference;
- The Conference; or
- A Conference-controlled entity approved by the Conference.

Unless you are a Clergy person who is (i) covered by operation of the Plan rules described in A, above or (ii) covered through your Plan Sponsor by its election in its Adoption Agreement as described in B, above, you are not eligible for coverage in the Lay LTD and Life Insurance Plan.

If you are a Clergy person described in one of the categories above (A or B) who could be eligible for coverage in CPP, even if (i) your Plan Sponsor chose not to cover you in a special arrangement on its CPP Adoption Agreement, or (ii) you declined or waived CPP coverage through an optional special arrangement, ***you are not eligible*** for coverage in the Lay LTD and Life Insurance Plan.

### **Central Conference Bishops**

If you are a bishop in a Central Conference, you are eligible for coverage as an Employee through the Lay Life Plan, if the General Council on Finance and Administration (GCFA) adopts the Lay Life Plan and sponsors it for Central Conference bishops. Though Central Conference bishops are clergy, they can only be covered in the Lay Life Plan. GCFA will establish Plan Sponsor rules governing your eligibility through an Adoption Agreement. If you are a Central Conference bishop, you should contact GCFA or Wespeth if you have questions about your eligibility.

**Under the terms of the Policies, Central Conference bishops are *not eligible* for the Lay LTD Plan or the Optional Life Insurance Plan.**

### **Hours of Service Requirement**

The Plan requires that Lay Employees must work at least 1,040 hours in a Plan Year (approximately 20 hours per week) to be eligible for coverage. Clergy covered under the Plan are deemed to work at least 1,040 hours in a Plan Year if their appointment is  $\frac{1}{2}$  time or greater, or they work at least 1,040 hours.

In addition, a Plan Sponsor may require that you be regularly scheduled for more than 1,040 hours in a Plan Year to be eligible for coverage by so indicating in its Adoption Agreement. Your Plan Sponsor may require that you be regularly scheduled to work at least 1,560 hours in a Plan Year (approximately 30 hours per week) to be eligible for coverage in the Plan. In this case, Clergy persons must be appointed to at least  $\frac{3}{4}$  time appointment or work at least 1,560 hours to be eligible for coverage in the Plan. Or, your Plan Sponsor may require that you be regularly scheduled to work up to 2,000 hours (approximately 40 hours per week), i.e., what your Plan Sponsor considers full-time, to be eligible for coverage in the Plan. In this case, Clergy persons must be appointed to a full-time appointment to be eligible for coverage in the Plan.

You should ask your Plan Sponsor how many hours you must regularly work to be covered under the Plan.

### **Age Requirement**

The Plan requires that Employees must be at least 15 years old to be eligible for coverage. Your Plan Sponsor may require that you be older than 15 (i.e., 18 or 21 years old) to be eligible for coverage by so indicating in its Adoption Agreement.

You should ask your Plan Sponsor how old you must be to be eligible for the Plan.

## Waiting Period

Your Plan Sponsor may require that you satisfy a waiting period after you begin working before you are eligible for the Plan. The waiting period is the amount of time you must work for your Plan Sponsor before you become eligible for coverage in the Plan. Your Plan Sponsor may choose not to have a waiting period. Or your Plan Sponsor may choose a waiting period that is three (3) months; six (6) months; or twelve (12) months long.

Service that you accrue in a prior life insurance or LTD plan of your Plan Sponsor in the year preceding your Plan Sponsor's adoption of this Plan will be applied toward any waiting period that your Plan Sponsor elects under this Plan.

## Leaves of Absence

If you are a Lay Employee taking a leave of absence, you may be eligible for continued coverage in the Plan, subject to the Policy terms, for up to 60 days from the beginning of such leave of absence, if your Plan Sponsor continues to pay the Required Premium for your coverage. If the leave of absence is a leave subject to the Family and Medical Leave Act of 1993 (FMLA) or a similar applicable state family medical leave law, you may be eligible for continued coverage in the Plan, subject to the Policy terms, for up to 12 weeks from the beginning of such leave of absence, if your Plan Sponsor continues to pay the Required Premium for your coverage.

If you are a Clergy person covered in the Plan and you are appointed to family leave, maternity/paternity leave, or incapacity leave in accordance with *The Book of Discipline* (or in the case of a Plan Sponsor that is a Disaffiliated Church, in accordance with the Plan Sponsor's leave policy), you may be eligible to continue to be covered in the Plan, subject to the Policy terms, for up to 12 weeks from the beginning of such leave of absence, if your Plan Sponsor continues to pay the Required Premium for your coverage.

If you are an Employee returning to work from a leave of absence, as a result of which you lost coverage, you may have coverage reinstated when you return to active employment, as long as you return to active employment within 12 months of the beginning of the leave. You will not have to satisfy a new waiting period.

You should ask your Plan Sponsor whether you will continue to be eligible for coverage during a leave of absence as described above.

## Exclusions

The Lay LTD Plan and Lay Life Plan exclude:

- Seasonal and temporary Employees (Employees normally scheduled to work fewer than six continuous months during a Plan Year, or Employees normally scheduled to work more than 30 hours per week during a period of time that is fewer than six continuous months even if normally scheduled to work fewer than 30 hours per week beyond six months);
- Lay Employees working fewer than 1,040 hours in a Plan Year;
- Lay Employees who have terminated employment with their Plan Sponsor;
- Clergy appointed to less than ½ time appointments;
- Clergy granted honorable location as that term is defined in ¶359 of *The Book of Discipline*;
- Clergy whose Conference relationship has been severed by withdrawal, surrender of ministerial credentials or a penalty assessed by a trial court within the meaning of ¶361, ¶2720.2 or ¶2711.3

of *The Book of Discipline*, or by surrender of the local pastor license as described in ¶320 of *The Book of Discipline*;

- Clergy who have otherwise terminated their Conference membership or relationship; and
- Employees who are residing outside of the United States for more than six continuous months at a time (other than bishops in Central Conferences covered in the Lay Life Plan).

In addition, you may be excluded from these plans for your or your Plan Sponsor's failure to pay Required Premiums on a timely basis.

### **Nondiscrimination**

Under Code §79(d), an employer must satisfy certain nondiscrimination rules for employee benefits, offering them to all employees, not just highly compensated employees, when providing group life insurance to its employees. Church Plans and the employers sponsoring them are generally exempt from these nondiscrimination requirements. However, certain types of employers, even when sponsoring a Church Plan, are subject to the nondiscrimination rules of Code §79(d). These are (i) educational organizations above the secondary school level, other than seminaries, and (ii) organizations with the principal purpose or function of providing medical or hospital care, medical education or medical research.

Even where Code §79(d) does not apply, a Plan Sponsor should consider the impact of federal and state nondiscrimination laws on its benefit plans.

### **Your Spouse and Dependents**

Your Spouse and your Dependent children may be eligible for coverage under the Lay Life Plan. Spouses and Dependent children are not eligible for any LTD coverage.

If your Plan Sponsor has elected to provide coverage for the Spouse of an Employee in its Adoption Agreement, and you are covered, then your Spouse will be covered subject to the terms of the Plan and Policies. Similarly, if your Plan Sponsor has elected to provide coverage for the Dependent children of an Employee in its Adoption Agreement, and you are covered, then your eligible Dependents will be covered, subject to the terms of the Plan and Policies. A Dependent child may not be covered by more than one Employee. You may not be covered as both a Spouse and an Employee.

Dependents must be born alive. Dependents must be unmarried. Dependents are eligible for coverage if they are less than 19 years old. If a Dependent is a full-time student in an accredited school, he or she may be eligible for coverage until he or she reaches age 25. Dependents may be natural offspring, adopted children, stepchildren or, if they are dependent on you for primary support and living with you, foster children.

When provided, your Plan Sponsor pays the cost of coverage for your Spouse and Dependents. Even if you are covered in retirement (see below), your Spouse and Dependents are not covered when you retire.

**Coverage in Retirement**

If your Plan Sponsor has elected to provide coverage to Retired Employees under the Plan, you may be eligible in retirement for a benefit under the Lay Life Program of the Plan.

***Retiree Exclusions***

There are no LTD benefits for Retired Employees or Retired Clergy. Spouses and Dependents of Retired Employees and Retired Clergy are not covered in the Plan.

***Years of Coverage Requirement***

The Plan requires you to be covered for at least five consecutive years immediately preceding your retirement to be eligible for coverage as a Retired Employee. In addition, your Plan Sponsor, through its Adoption Agreement, can require you to be covered as an active Employee for a longer period than the Plan's base five-year rule.

If you have not been covered five continuous years solely due to a break in coverage resulting from an uncovered leave of absence that lasted no longer than one year, you may be eligible for coverage as a Retired Employee, if you have been serving at or employed by your Plan Sponsor (including the leave of absence) for at least five consecutive years.

Your Plan Sponsor may elect to require that you serve or be covered in the Plan for additional years beyond the Plan's five-year minimum rule. If your Plan Sponsor has made such an election, it has a duty to clearly notify you of this additional requirement.

Your Plan Sponsor may require you to be covered in the Plan for 10 consecutive years preceding your retirement to be eligible for coverage as a Retired Employee, i.e., five years beyond the Plan's basic five-year requirement, or your Plan Sponsor can require you to be covered in the Plan 15 or 20 consecutive years preceding retirement.

If your Plan Sponsor is new to the Plan, and it offers coverage for Retired Employees, then your coverage under the prior life insurance plan of your Plan Sponsor will be credited toward satisfying the Plan's five-year coverage requirement, provided that you had coverage under the prior plan as of the effective date of your Plan Sponsor's Adoption Agreement.

***Coverage in Retirement Not Guaranteed***

Life insurance coverage in retirement through UMLifeOptions is not a vested benefit; it is not guaranteed to continue. Wespath reserves the right to amend or terminate the Plan at any time. In addition, your Plan Sponsor has reserved the right to amend or terminate its participation in the Plan, and may have reserved the authority to amend or terminate its life insurance plan for Retired Employees.

### **CLERGY SUPPLEMENTAL LIFE INSURANCE PLAN ELIGIBILITY**

The Clergy Supplemental Life Insurance Plan covers Clergy appointed within a Conference that is a Plan Sponsor. Only Clergy eligible for and enrolled in CPP are eligible for the Clergy Supplemental Life Insurance Plan. To determine whether you are eligible for and enrolled in CPP, contact your Plan Sponsor or Wespeth. You may also review the CPP Summary Plan Description, which you can find on Wespeth's website ([http://www.wespath.org/health\\_welfare/cpp.asp](http://www.wespath.org/health_welfare/cpp.asp)). In addition to being covered in CPP, you must meet the eligibility requirements of the Clergy Supplemental Life Insurance Plan described below and the requirements your Plan Sponsor may choose to establish through its Adoption Agreement.

### **Hours of Service Requirement**

The Plan requires that you must work at least 1,040 hours in a Plan Year (approximately 20 hours per week) to be eligible for coverage. As a Clergy person, you are deemed to work at least 1,040 hours in a Plan Year if your appointment is  $\frac{1}{2}$  time or greater.

In addition, a Plan Sponsor may require that you be regularly scheduled for more than 1,040 hours in a Plan Year to be eligible for coverage by indicating so in its Adoption Agreement. Your Plan Sponsor may require that you must be appointed to at least  $\frac{3}{4}$  time appointment or work approximately 1,560 hours to be eligible for coverage in the Plan. Or, your Plan Sponsor may require that you be appointed to a full-time appointment or be regularly scheduled to work 2,000 hours (approximately 40 hours per week) to be eligible for coverage.

You should ask your Plan Sponsor how many hours you must regularly work to be covered under the Plan.

### **Age Requirement**

The Plan requires that you must be at least 15 years old to be eligible for coverage. Your Plan Sponsor may require that you be older than 15 (i.e., 18 or 21 years old) to be eligible for coverage by indicating so in its Adoption Agreement.

You should ask your Plan Sponsor how old you must be to be eligible for the Plan.

### **Waiting Period**

Your Plan Sponsor may require that you satisfy a waiting period after you begin working before you are eligible for the Plan. The waiting period is the amount of time you must work for your Plan Sponsor before you become eligible for coverage in the Plan. Your Plan Sponsor may choose not to have a waiting period. Or, your Plan Sponsor may choose a waiting period that is three (3) months; six (6) months; or twelve (12) months long.

Service that you accrue in a prior life insurance plan of your Plan Sponsor in the year preceding your Plan Sponsor's adoption of this Plan will be applied toward any waiting period that your Plan Sponsor elects under this Plan.

## Leaves of Absence

If you are covered in the Plan and you are appointed to family leave, maternity/paternity leave, or incapacity leave in accordance with *The Book of Discipline*, you may be eligible to continue to be covered in the Plan, subject to the Plan terms, for up to 12 weeks from the beginning of such leave of absence, if your Plan Sponsor continues to pay the Required Premium for your coverage. If you are appointed to other approved leaves of absence, such as sabbatical leave, voluntary leave of absence, transitional leave, or involuntary leave of absence, you may be eligible to continue to be covered in the Plan, subject to the Plan terms, for up to 60 days from the beginning of such leave of absence, if your Plan Sponsor continues to pay the Required Premium for your coverage.

If you return to work from a leave of absence, as a result of which you lost coverage, you may have coverage reinstated when you return to active service, so long as you return to active service within 12 months of the beginning of the leave. You will not have to satisfy a new waiting period.

## Exclusions

The Clergy Supplemental Life Insurance Plan excludes:

- Clergy appointed to less than ½ time appointments;
- Part-time local pastors;
- Part-time members of other denominations;
- Clergy granted honorable location as that term is defined in ¶359 of *The Book of Discipline*;
- Clergy whose Conference relationship has been severed by withdrawal, surrender of ministerial credentials or a penalty assessed by a trial court within the meaning of ¶361, ¶2720.2 or ¶2711.3 of *The Book of Discipline*, or surrender of the local pastor license as described in ¶320 of *The Book of Discipline*;
- Clergy who have otherwise terminated their Conference membership or relationship; and
- Clergy who are residing outside of the United States for more than six continuous months at a time.

In addition, you may be excluded from the Plan for your or your Plan Sponsor's failure to pay Required Premiums on a timely basis.

## Your Spouse and Dependents

Your Spouse and your Dependent children may be eligible for coverage under the Clergy Supplemental Life Plan if your Plan Sponsor elected to provide such coverage in its Adoption Agreement. If your Plan Sponsor has elected to provide coverage of the Spouse of a Clergy in its Adoption Agreement, and you are covered, then your Spouse will be covered. Similarly, if your Plan Sponsor has elected to cover Dependent children, your Dependent children are covered subject to the terms of the Plan and Policies. A Dependent child may not be covered by more than one Employee. You may not be covered as both a Spouse and an Employee.

Dependents must be born alive. Dependents must be unmarried. Dependents are eligible for coverage if they are less than 19 years old. If a Dependent is a full-time student in an accredited school, he or she may be eligible for coverage until he or she reaches age 25. Dependents may be natural offspring, adopted children, stepchildren, or, if they are dependent on you for primary support and living with you, foster children.

**Coverage in Retirement**

If your Plan Sponsor has elected to provide coverage to Retired Clergy under the Plan, and you are eligible for a death benefit in retirement through CPP, you may be eligible in retirement for a benefit under the Clergy Supplemental Life Insurance Plan.

**Retiree Exclusions**

Spouses and Dependents of Retired Clergy are not covered in the Plan.

**Years of Coverage Requirement**

The Plan requires you to be covered for at least five consecutive years immediately preceding your retirement to be eligible for coverage as a Retired Clergy. In addition, your Plan Sponsor, through its Adoption Agreement, can require you to be covered as an active Employee for a longer period of years than the Plan's base five-year rule.

If you have not been covered five continuous years solely due to a break in coverage resulting from an uncovered leave of absence that lasted no longer than one year, you may be eligible for coverage as a Retired Clergy if you have been serving at or employed by your Plan Sponsor (including the leave of absence) for at least five consecutive years.

Your Plan Sponsor may elect to require that you serve or be covered in the Plan for additional years beyond the Plan's five-year minimum rule. If your Plan Sponsor has made such an election, it has a duty to clearly notify you of this additional requirement.

Your Plan Sponsor may require you to be covered in the Plan for 10 consecutive years preceding your retirement to be eligible for coverage as a Retired Clergy (i.e., five years beyond the Plan's basic five-year requirement) or your Plan Sponsor can require you to be covered in the Plan 15 or 20 consecutive years preceding retirement.

If your Plan Sponsor is new to the Plan, and it offers coverage for Retired Clergy, then your coverage under the prior life insurance plan of your Plan Sponsor will be credited toward satisfying the Plan's five-year coverage requirement, provided that you had coverage under the prior plan as of the effective date of your Plan Sponsor's Adoption Agreement.

**Coverage in Retirement Not Guaranteed**

Life insurance coverage in retirement through *UMLifeOptions* is not a vested benefit; it is not guaranteed to continue. Wespath reserves the right to amend or terminate the Plan at any time. In addition, your Plan Sponsor has reserved the right to amend or terminate its participation in the Plan, and may have reserved the authority to amend or terminate its life insurance plan for Retired Employees.

**OPTIONAL LIFE INSURANCE PLAN ELIGIBILITY**

The Optional Life Insurance Plan provides voluntary life insurance benefits to Lay Employees and Clergy who are not retired and who are eligible for and enrolled in the *UMLifeOptions* Lay Life Plan. The Optional Life Insurance Plan also provides voluntary life insurance benefits to Clergy of Conference Plan Sponsors who adopt the Optional Life Insurance Plan through an Adoption Agreement, as long as the Clergy are not retired and are eligible for and enrolled in CPP and meet the requirements of the Policies.

The Optional Life Insurance Plan allows eligible Employees and Clergy of Plan Sponsors to enroll in and purchase additional voluntary life insurance through the Insurer. Your Plan Sponsor does not pay for your coverage in the Optional Life Insurance Plan; you must pay the premium for that coverage.

A Plan Sponsor acknowledges that by electing to adopt the Lay Life Plan it has also elected to sponsor the Optional Life Insurance Plan for Employees covered in the Lay Life Plan. So, if you are actively-at-work and covered in the Lay Life Plan you are automatically eligible for the Optional Life Insurance Plan. Conferences can opt to sponsor the Optional Life Insurance Plan by executing an Adoption Agreement. If you are a Clergy serving at a Conference that has adopted the Optional Life Insurance Plan, you are enrolled in CPP *through your Conference* and you are serving at least a ½ time appointment, you are eligible for the Optional Life Insurance Plan.

## COVERAGE

Your Plan Sponsor agrees to cover 100% of its eligible Employees in the Lay Life Plan, the Lay LTD Plan and the Clergy Supplemental Life Insurance Plan. Your Plan Sponsor pays for 100% of the Required Premium associated with Employees' coverage under these three plans. These plans are noncontributory plans, meaning the Plan Sponsor pays the entire premium for coverage of each of its eligible Employees. If your Plan Sponsor fails to pay Required Premiums for your coverage, you will cease to be covered under the Plan and you will not be eligible for benefits.

*Because the Optional Life Insurance Plan is a **voluntary plan**, your Plan Sponsor is not required to cover all eligible Employees nor is it required to pay the Required Premium.*

### ONE TYPE OF COVERAGE

You may not participate in the Plan as an Employee *and* as a Dependent, and your Dependent may not participate in this Plan as a Dependent of more than one Employee.

### LAY LIFE PLAN, LAY LTD PLAN AND CLERGY SUPPLEMENTAL LIFE INSURANCE PLAN COVERAGE

You are eligible for coverage if you are working for your Plan Sponsor in an eligible group on the later of:

- your Plan Sponsor's Plan effective date (i.e., the date it has adopted the Plan);
- the day after you complete your waiting period; or
- the date you retire for coverage as a Retired Employee or Retired Clergy, if your Plan Sponsor makes retiree coverage available under the Plan.

You will be covered at 12:01 a.m., on the date you are eligible for coverage.

If you are absent from work due to injury, sickness, temporary layoff or leave of absence, your coverage will begin on the date you return to active employment, subject to any applicable waiting period.

The date your Dependents are eligible for coverage, if your Plan Sponsor offers Dependent coverage, is the later of:

- the date your coverage begins, or
- the date you first acquire that Dependent.

### OPTIONAL LIFE INSURANCE PLAN COVERAGE

If you are working for your Plan Sponsor and you are in an eligible group, you are eligible for coverage on the later of:

- your Plan Sponsor's Plan effective date (i.e., the date it has adopted the Optional Life Plan); or
- the day after you complete your waiting period, if you are eligible for Optional Life Insurance Plan coverage through your coverage in the Lay Life Plan.

The Optional Life Insurance Plan provides you a choice of benefit amounts. When you first become eligible for coverage, you may apply for the coverage level of your choice, but you cannot be covered for more than the maximum benefit available under the plan (i.e., \$500,000).

Evidence of insurability is required for any amount of life insurance over the guaranteed issue limit of \$100,000.

You pay 100% of the cost for any Optional Life Insurance Plan coverage.

You will be covered at 12:01 a.m. on the later of:

- the first of the month coincident with or next following the date you are eligible for coverage, if you apply for coverage on or before that date, for any amount of coverage that is not subject to evidence of insurability requirements; or
- the first of the month coincident with or next following the date you apply for coverage, if you apply within **45 days** after your eligibility date, for any amount of coverage that is not subject to evidence of insurability requirements; and
- the first of the month coincident with or next following the date the Insurer approves your evidence of insurability form, if you apply for coverage on or before your eligibility date or within **45 days** after your eligibility date, for any amount of coverage that is subject to evidence of insurability requirements.

*If you wish to obtain coverage under the Optional Life Insurance Plan, it is important that you apply for such coverage on or before your date of eligibility or **no more than 45 days after your date of eligibility**.*

## **TERMINATION OF COVERAGE**

### **Termination of Coverage**

Your coverage will cease on the earliest of the following dates:

- the date you cease to be in a class of eligible Employees (Lay Employee or Clergy) as described above;
- the date the group or class of Employees is no longer covered;
- the last day for which you or your Plan Sponsor have paid any Required Premiums for coverage;
- the date Wespath terminates the Plan;
- the date your Plan Sponsor terminates its participation in the Plan or the date its participation is terminated by the Insurer or Wespath;
- the date your Plan Sponsor no longer is a participating member of the Trust;
- the Required Premium due date coincident with or next following the last day you are in active employment or service, unless you are continued due to a covered layoff or leave of absence, injury or sickness, or retirement, as described in your Certificate of Coverage;
- the date the Policies are cancelled, unless a successor policy is issued or the Plan continues as a self-funded plan.

Generally, when your coverage terminates, you may have the opportunity to elect to port or convert your coverage under the terms and conditions of the Policies.

### **Leaves of Absence**

If your employment ceases due to a leave of absence, your coverage will be continued according to the terms set by the Plan and your Plan Sponsor as described above in the sections entitled “Leaves of Absence” for each plan. However, the coverage will not continue beyond the date your Plan Sponsor ceases paying Required Premiums for you.

### **Other Events Ending Your Coverage**

When any of the following happen, Wespath may terminate your coverage and it or the Insurer will provide you written notice that your coverage has ended.

- **Fraud, Misrepresentation or False Information**—you commit fraud or misrepresentation, or you knowingly give Wespath or the Insurer false material information. Examples include false information relating to another person’s eligibility or status as a Dependent.
- **Material Violation**—you materially violate the terms of the Plan.
- **Threatening Behavior**—you commit an act of physical or verbal abuse that poses a threat to Wespath’s staff, the Insurer’s staff, a provider or other Participants.

### **Termination of Dependent Coverage**

Coverage for your Dependents will cease on the earliest of the following dates:

- the date your coverage ends;
- the last day for which you or your Plan Sponsor have made any Required Premiums for coverage; or
- the last day of the month in which your Dependent ceases to be a Dependent as defined in the Plan.

### **BENEFITS**

**Important:** The information in this section is a summary of the benefits provided under the Policies. The Policies govern the terms and conditions of all benefits under the Plan. If anything in the summary conflicts with the Policies, the terms of the Policies will govern.

To determine your level of coverage, contact your Plan Sponsor, Wespath or the Insurer. To learn more about the benefits described in this illustrative summary section, please contact the Insurer or review the Certificate of Coverage that you receive from the Insurer after your coverage begins.

#### **LAY LIFE PLAN**

The Lay Life Plan offers many life insurance options. You should ask your Plan Sponsor what level of coverage and what coverage options it has elected to provide to you. The following information will help illustrate what life insurance coverage you may have under the Plan, depending upon the choices your Plan Sponsor has made.

#### **Active Employee Benefits**

Your Plan Sponsor may have chosen to cover you with a flat-dollar life insurance benefit in one of the following amounts:

\$10,000; \$25,000; \$50,000; \$75,000; \$100,000; \$125,000; \$150,000; \$175,000; \$200,000; or \$250,000.

Or your Plan Sponsor may have chosen to cover you with life insurance benefits equal to a percentage or multiple of your current compensation (salary) in one of the following amounts, rounded to the nearest \$1,000; not to exceed \$250,000:

100%; 150%; 200%; 250%; or 300% of your compensation (limited to a maximum \$250,000 benefit).

A reduction will be applied to death benefits paid after ages 70 and 75.

#### **Spouse Death Benefits**

Your Plan Sponsor may have chosen to cover your Spouse with a flat-dollar life insurance benefit in one of the following amounts:

\$5,000; \$10,000; \$15,000; \$20,000; \$25,000; \$30,000; \$35,000; \$40,000; \$45,000; or \$50,000.

A reduction will be applied to death benefits paid after ages 70 and 75.

*Special Limit for Spouses:* Your Spouse's benefit may not exceed your coverage under the Plan. For example, if you are covered for 100% of your salary, and your salary is \$40,000, your Spouse's benefit is limited to \$40,000 even if your Plan Sponsor chose a higher flat-dollar amount for Spouse coverage in its Adoption Agreement.

### **Child Death Benefits**

Your Plan Sponsor may have chosen to cover your Dependents with a flat-dollar life insurance benefit in one of the following amounts:

\$2,000; \$3,000; \$4,000; \$5,000; \$6,000; \$7,000; \$8,000; \$9,000; or \$10,000.

*Special Limit for Dependents:* Your Dependent's benefit may not exceed your coverage under the Plan.

### **Retired Employee Benefits**

Your Plan Sponsor may have chosen to cover you in retirement with a flat-dollar life insurance benefit in one of the following amounts:

\$5,000; \$10,000; \$15,000; \$20,000; \$25,000; \$30,000; \$35,000; \$40,000; \$45,000 or \$50,000.

A reduction will be applied to death benefits paid after ages 70 and 75.

### **Accidental Death and Dismemberment (AD&D) Benefit**

This is an optional benefit. If your Plan Sponsor elects this option, your Plan Sponsor pays the costs and you are covered for up to an additional 100% of the face value of your basic life insurance coverage if you suffer accidental death or dismemberment.

### **Additional Plan Features**

#### ***Accelerated Death Benefit***

For Employees only, not Spouses or Dependents, the Plan provides a benefit up to 50% of the face value of your coverage if you are terminally ill with a life expectancy of less than 12 months.

#### ***Portability***

You, your Spouse and Dependent children may be able to elect portable coverage at group rates when you retire, terminate employment or service, or reduce your hours. This feature lets you "take the coverage with you." Covered Spouses and Dependent children may also benefit from portability in the event of divorce or your death.

#### ***Conversion***

In many circumstances, you, your Spouse and covered Dependents may convert group coverage under the Plan to individual whole life insurance policies, without evidence of insurability, if your group coverage ends.

#### ***Survivor Financial Counseling***

The plan provides telephone-based financial planning assistance to survivors at no cost, including budgeting and estate planning.

**Waiver of Premium**

For Employees whose Plan Sponsor elected the 90-day elimination period under the Lay LTD Plan, the Insurer will waive Required Premium payments for your life insurance coverage if you are under age 60 and disabled for 90 days. For Employees whose Plan Sponsor elected the 180-day elimination period under the Lay LTD Plan, or whose Plan Sponsor has not adopted the Lay LTD Plan, the Insurer will waive Required Premium payments for your life insurance coverage under the Lay Life Plan if you are under age 60 and disabled for 180 days. To qualify for this waiver, you must submit to the Insurer proof of disability, which results in your inability to engage in any occupation for which you are reasonably qualified.

**Limitations**

- An individual cannot be covered as both an Employee and a Spouse or Dependent.
- A child cannot be covered as a Dependent by more than one Employee in the Plan.
- Benefits described herein are subject to the terms and conditions of the Policies.

**THE LAY LTD PROGRAM**

The Lay LTD Program offers basic LTD benefits and certain other benefits and features. You should ask your Plan Sponsor what coverage options it has elected to provide you. The following information will help illustrate what LTD coverage you may have under the Plan.

**Monthly Disability Income**

Generally, the Plan provides replacement income equal to 60% of your pre-disability compensation. The maximum monthly benefit for LTD is \$5,000. Your disability benefits will be reduced by the amount you receive in Social Security disability income benefits, as described in the Certificate of Coverage. Your disability benefits may also be reduced by other income you receive, including, but not limited to, workers' compensation, other disability plans or insurance, disability benefits from the social security laws of a foreign country and disability payments from a retirement plan.

Additionally, if you become severely disabled, meaning you are incapable of two activities of daily living (bathing, eating, dressing, transferring, toileting or continence), you may be eligible for an additional benefit that would increase your benefit to 80% of your pre-disability compensation.

**Elimination Period**

Before benefits begin under the Plan, a certain amount of time must elapse after the date of your disability. This is called the elimination period. If you become disabled, benefits commence on the first day following the end of the elimination period. Benefits are not retroactive to your date of disability. Your Plan Sponsor may choose an elimination period of 90 days or 180 days in its Adoption Agreement. You should ask your Plan Sponsor which elimination period is applicable to you.

**Retirement Income Protection**

If you are disabled, the Plan will continue to make a contribution to your account in the Personal Investment Plan (PIP) or effective January 1, 2026, the Compass Retirement Plan ("Compass"), if your Plan Sponsor was making employer contributions to your PIP or Compass account for at least three months preceding the date of your disability. The Plan will contribute up to 3% of your pre-disability compensation to your PIP account.

**Benefit Duration**

The Lay LTD Program provides benefits when you are disabled. You are disabled when you cannot perform the usual and customary duties of your **own occupation**. You can receive LTD benefits for 24-months of own occupation disability, so long as you remain disabled. After 24 months of disability, the program only provides benefits if your disability prevents you from engaging in **any occupation** for which you are reasonably qualified.

If you become disabled before age 60, your benefits may continue to age 65, as long as you remain disabled. If you become disabled when you are age 60 or older, the Lay LTD Program provides benefits on a declining benefit duration scale, pursuant to the terms of the Policies, for a maximum of five years.

The lifetime cumulative maximum benefit period for all disabilities due to mental illness generally is 24 months, i.e., only 24 months of benefits will be paid even if the disabilities due to mental illness exceed 24 months. However, effective January 1, 2016, pursuant to an Adoption Agreement and the terms of the Policies, a Plan Sponsor may choose to elect a Lay Long-Term Disability Plan that does not impose such a 24-month lifetime cumulative maximum benefit period for disabilities due to mental illness, but which has a higher Required Premium.

**Return-to-Work Incentive**

Your disability benefit may be increased by 10% in the event that you participate in and comply with certain vocational rehabilitation or return-to-work plans.

**Waiver of Premium**

Lay LTD Program Required Premiums are waived with respect to a disabled claimant for the duration of his or her disability.

**Pre-disability Early Intervention Program (EIP)**

The EIP involves telephone-based coaching and support to Employees, prior to a condition becoming disabling, in order to minimize the impact of an emotional or physical condition and possibly prevent it from becoming disabling.

**Employee Assistance Program (EAP)**

The EAP provides emotional counseling support to Employees and their Dependents through the LifeSolutions program provided by United Behavioral Health.

**Travel Assistance Program**

AssistAmerica provides transportation assistance for claimants and their families when they are more than 100 miles from home, for business or pleasure, including medical evacuation and prescription replacement services.

**CLERGY SUPPLEMENTAL LIFE INSURANCE PLAN**

The Clergy Supplemental Life Insurance Plan offers many life insurance options. You should ask your Plan Sponsor about your level of coverage and the coverage options it has elected to provide you. The following information will help illustrate what life insurance coverage you may have under the Plan.

**Active Clergy Benefits**

Your Plan Sponsor may have chosen to cover you with a flat-dollar life insurance benefit in one of the following amounts:

\$10,000; \$25,000; \$50,000; \$75,000; \$100,000; \$125,000; \$150,000; \$175,000; \$200,000; or \$250,000.

**Spouse Death Benefits**

Your Plan Sponsor may have chosen to cover your Spouse with a flat-dollar life insurance benefit in one of the following amounts:

\$5,000; \$10,000; \$15,000; \$20,000; \$25,000; \$30,000; \$35,000; \$40,000; \$45,000; or \$50,000.

*Special Limit for Spouses:* Your Spouse's benefit may not exceed your coverage under the Plan.

**Child Death Benefits**

Your Plan Sponsor may have chosen to cover your Dependents with a flat-dollar life insurance benefit in one of the following amounts:

\$2,000; \$3,000; \$4,000; \$5,000; \$6,000; \$7,000; \$8,000; \$9,000; or \$10,000.

*Special Limit for Dependents:* Your Dependent's benefit may not exceed your coverage under the Plan.

**Retired Clergy Benefits**

Your Plan Sponsor may have chosen to cover you in retirement with a flat-dollar life insurance benefit in one of the following amounts:

\$5,000; \$10,000; \$15,000; \$20,000; \$25,000; \$30,000; \$35,000; \$40,000; \$45,000; or \$50,000.

**AD&D Benefit**

This is an optional benefit for you. If your Plan Sponsor elects this option, your Plan Sponsor pays the costs and you are covered for an additional 100% of the face value of your basic life insurance coverage if you suffer accidental death or dismemberment.

## **Additional Plan Features**

### ***Accelerated Death Benefit***

For Clergy only, not Spouses or Dependents, the Plan provides a benefit up to 50% of the face value of your coverage if you are terminally ill with a life expectancy of less than 12 months.

### ***Portability***

You, your Spouse and Dependents may be able to elect portable coverage at group rates when you retire, terminate employment or service, or reduce your hours. This feature lets you “take the coverage with you.” Covered Spouses and Dependents may also benefit from portability in the event of divorce or your death.

### ***Conversion***

In many circumstances, you, your Spouse and covered Dependents may convert your group coverage under the Plan to individual whole life insurance policies, without evidence of insurability, if your group coverage ends.

### ***Survivor Financial Counseling***

The plan provides telephone-based financial planning assistance to survivors at no cost, including budgeting and estate planning.

### ***Waiver of Premium***

The Insurer will waive Required Premium payments for your life insurance coverage under the Clergy Supplemental Life Insurance Program if you are under age 60 and disabled for 180 days. To qualify for this waiver, you must submit to the Insurer proof of a disability which results in your inability to engage in any occupation for which you are reasonably qualified.

### **Limitations**

- An individual cannot be covered as both a Clergy person and a Spouse or Dependent.
- A child cannot be covered as a Dependent by more than one Clergy or Lay Employee in the Plan.
- Benefits described herein are subject to the terms and conditions of the Policies.

## **OPTIONAL LIFE INSURANCE PLAN**

### **Available Coverage Levels**

The Optional Life Insurance Plan offers life insurance to eligible Clergy and Lay Employees at varying coverage levels and provides additional program features. Clergy and Lay Employees may opt to purchase additional life insurance from the Insurer, subject to certain rules.

### **Active Lay Employee and Active Clergy Plan Benefit Options**

You can purchase life insurance for yourself in the flat-dollar amounts described below in increments of \$10,000. You can purchase up to \$100,000 in coverage during the open enrollment period, without medical underwriting; you purchase it on a guaranteed issue basis. You can purchase up to \$500,000 in life insurance through the Optional Life Insurance Program, but any amounts you wish to purchase in excess of \$100,000 (the guaranteed issue amount) are subject to underwriting and the approval of the Insurer. The Insurer may deny you coverage in excess of \$100,000.

The open enrollment period is a period of time established by the Policies during which you can elect coverage in the Optional Life Insurance Plan if you are eligible. Your open enrollment period is the first 45 days after you initially become eligible under the plan. After that time, you may apply for coverage if you are eligible during annual enrollment periods established by the Insurer, but you are not eligible for guaranteed issue coverage, meaning any life insurance you apply for is subject to medical underwriting and you may be denied coverage by the Insurer.

If you wish to secure your ability to elect up to the guaranteed issue limit (\$100,000) during future annual enrollment periods, you must purchase at least a minimal amount of insurance during your initial open enrollment period. If you do not elect coverage during your initial open enrollment period, you will have to provide medical statements and information during future enrollment periods, and the Insurer may deny you coverage. If you purchase at least a minimal amount of life insurance, i.e., \$10,000, through the Optional Life Insurance Plan during your initial open enrollment period, you will be able to purchase additional amounts up to the guaranteed issue limit during future annual enrollment periods, without medical review. This rule also applies to Spouse and Dependent child coverage.

Flat-dollar amounts: You may purchase life insurance in increments of \$10,000; from \$10,000 to \$500,000.  
Guaranteed issue: Up to \$100,000  
Maximum coverage: \$500,000

### **Spouse Death Benefits**

You can purchase life insurance for your Spouse in the flat-dollar amounts described below in increments of \$5,000. During the open enrollment period, you can purchase up to \$25,000 in Spouse coverage without medical underwriting; you purchase it on a guaranteed issue basis. You can purchase up to \$100,000 in life insurance for your Spouse through the Optional Life Insurance Program, but any amounts you wish to purchase in excess of \$25,000 are subject to the underwriting and approval of the Insurer. The Insurer may deny you coverage in excess of \$25,000.

Flat-dollar amounts: You may purchase life insurance for your Spouse in increments of \$5,000; from \$5,000 to \$100,000.  
Guaranteed issue: Up to \$25,000  
Maximum coverage: \$100,000 or an amount equal to 100% of your coverage, whichever is less

### **Child Death Benefits**

You can purchase life insurance for your Dependent children in the flat-dollar amounts described below in increments of \$1,000. During your open enrollment period, you can purchase up to \$25,000 in Dependent child coverage without medical underwriting; you purchase this coverage on a guaranteed issue basis.

Flat-dollar amounts: You may purchase life insurance for your Dependents in increments of \$1,000; from \$1,000 to \$25,000.  
Guaranteed issue: Up to \$25,000  
Maximum coverage: \$25,000

## **Additional Program Features**

### ***Accelerated Death Benefit***

For Employees only, not Spouses or Dependents, the Optional Life Plan provides a benefit up to 50% of the face value of your coverage if you are terminally ill with a life expectancy of less than 12 months.

### ***Portability***

You, your Spouse and Dependents may be able to elect portable coverage at group rates when you retire, terminate employment or service, or reduce your hours. This feature lets you “take the coverage with you.” Covered Spouses and Dependents may also benefit from portability in the event of divorce or your death.

### ***Conversion***

In many circumstances, you, your Spouse and covered Dependents may convert your group coverage under the Plan to individual whole life insurance policies, without evidence of insurability, if your group coverage ends.

### ***Survivor Financial Counseling***

The Program provides telephone-based financial planning assistance to survivors at no cost, including budgeting and estate planning.

### ***Accidental Death and Dismemberment (AD&D) Benefit***

This is an optional benefit for you at an additional cost. If you pay the added incremental cost, you are covered for an additional 100% of the face value of your optional life insurance coverage if you suffer accidental death or dismemberment.

### **Limitations**

- An individual cannot be covered as both a Clergy person or Lay Employee and a Spouse or Dependent.
- A child cannot be covered as a Dependent by more than one Clergy person or Lay Employee in the Plan.
- Benefits described herein are subject to the terms and conditions of the Policies.

## **TAX IMPLICATIONS**

### **THE TAX-FREE COVERAGE LIMIT**

Internal Revenue Code (Code) §79 allows your employer to provide its employees up to \$50,000 in tax-free group term life insurance coverage. As such, the cost of the first \$50,000 of employer-provided group term life insurance coverage under this Plan is excludable from your taxable income. Your employer can exclude the same amount from your wages when calculating Social Security and Medicare taxes.

### **COVERAGE OVER THE LIMIT**

If your employer provides you with more than \$50,000 in group term life insurance coverage, it must include in your income the cost of group term life insurance that exceeds the cost of \$50,000 in group term life insurance coverage.

Under Code §79, you are taxed on the *cost* of group term life insurance coverage in excess of \$50,000. Cost for this purpose is based on the rates established by the IRS (in *IRS Publication 15-B, Employer's Tax Guide to Fringe Benefits*).

IRS guidance suggests that your employer should include the value of the benefit in Box 1 of your *Form W-2* and in Box 12 with Code "C." In addition, the employer should include the value in Boxes 3 and 5 for Social Security and Medicare wages.

#### **CALCULATING THE IMPUTED INCOME**

An employer can calculate the monthly cost of the group term life coverage that should be included in the employee's wages by multiplying the number of thousands of dollars of insurance coverage over \$50,000 by the cost from *IRS Publication 15-B*.

**Example:** X's employer provides X with group term insurance coverage of \$200,000. X is 45 years old, and the employer pays for the full cost of coverage. The \$200,000 of insurance coverage is reduced by \$50,000. The total cost of \$150,000 of coverage is \$270 ( $\$.15 \times 150 \times 12$ ). X's employer must include \$270 in his wages. The employer includes \$270 in boxes 1, 3, and 5 of X's *Form W-2*. The employer also enters \$270 in box 12 with code "C."

#### **MULTIPLE PLANS**

If you are covered by more than one group term life insurance plan through your employer, the coverages must be added together so that you do not exclude the cost of more than \$50,000 in coverage from taxable income.

#### **EMPLOYEE-PAID COVERAGE**

If you pay for group term life insurance coverage entirely with taxable (after-tax) income, for example through the Optional Life Insurance Program of *UMLifeOptions*, there should be no additional taxable compensation.

#### **BENEFICIARY DESIGNATION**

At the time you become insured, you should designate a beneficiary on your enrollment form for death benefits under your life insurance. You may change your beneficiary at any time by submitting a form approved by the Insurer to the Insurer. The new beneficiary designation will be effective as of the date you sign that form. However, if the Insurer has taken any action or made any payment before your Plan Sponsor receives that form, that change will not go into effect.

Your designated beneficiary will be effective for all your coverage through *UMLifeOptions*; i.e., it will apply across all the *UMLifeOptions* plans in which you are enrolled: the Lay Life Plan, Clergy Supplemental Life Insurance Plan and Optional Life Insurance Plan.

It is important that you name a beneficiary and keep your designation current. If you name more than one beneficiary and you do not designate their order or share of payments for each, the beneficiaries will share equally. The share of a beneficiary who dies before you, or the share of a beneficiary who is disqualified, will pass to any surviving beneficiaries in the order you designated. If you do not name a beneficiary, or if no named beneficiaries survive you, or if your named beneficiary is disqualified, the Insurer will pay your death benefit to your estate.

Instead of making a death payment to your estate, the Insurer has the right to make payment to your surviving family members in the order listed below:

- Spouse;
- child or children;
- mother or father; or
- sisters or brothers.

If you do not survive your Spouse, and Dependent life coverage is continued, then your surviving Spouse should name a beneficiary according to the requirements specified above for you.

## **INSURED NATURE OF PLAN**

Your Plan Sponsor has acknowledged the insured nature of the Plan, meaning that the Insurer bears the responsibility for adjudication of claims and payment of benefits, among other things. Wespath has no discretion or authority to review or reverse the determinations of the Insurer with respect to benefits. Eligibility and enrollment rules, benefits, time limits, claims processes and appeals procedures are governed entirely by the Policies. Failure by your Plan Sponsor to adhere to published rules and procedures may jeopardize your rights and benefits.

## **CLAIMS AND APPEALS**

### **CLAIMS**

You will have to submit a Claim pursuant to the rules and procedures established by the Insurer. The Policies and your Certificate of Coverage contain detailed Claims procedures with respect to disability claims and life insurance/death benefit claims. You can find more information about Claims and the Claims procedures in your Certificate of Coverage from the Insurer.

Claim forms are available from the Insurer through its offices and website.

You should keep copies of any documents you submit with a Claim.

### **APPEALS**

The terms of the appeals procedures for Claims under the Plan are established by the Insurer. The Policies contain detailed appeals procedures with respect to disability claims and life insurance/death benefit claims. You can find more information about appeals and the appeals procedures in your Certificate of Coverage from the Insurer.

### **DELEGATED NATURE OF CLAIMS AND APPEALS PROCEDURES**

Wespath has delegated to the Insurer, through the Policies of insurance, the fiduciary duties of:

- adjudicating Claims for benefits, and
- hearing and adjudicating appeals of denied Claims.

**Wespath does not have the authority to review the Insurer's determinations.**

**ERISA AND DOL REGULATIONS INAPPLICABLE**

The Plan is a Church Plan. As a Church Plan, the Plan is exempt under §4(b)(2) of ERISA from all the requirements of Title I of ERISA. The Plan is not subject to most of the regulations promulgated by the U.S. Department of Labor. Notwithstanding the fact that Claims denial notices from the Insurer may refer to ERISA, ERISA does not apply to the Plan.

**GRIEVANCES**

If you have a concern regarding a person, a service, the quality of service or benefits under the Plan, you can write to Wespath to explain your concerns. If you have other complaints or concerns, you should explain your grievance in writing and send it to Wespath at the following address:

Wespath  
Attention: *Legal Services Department*  
1901 Chestnut Avenue  
Glenview, Illinois 60025-1604

You may also submit grievances to your Plan Sponsor.

**LEGAL ACTION AGAINST THE PLAN**

No Employee, beneficiary or other claimant may sue or pursue a cause of action in law or equity in state or federal court against the Plan, Wespath, the Insurer or a Plan Sponsor, with respect to any Claim of any kind until the claimant has exhausted the Claims and appeals procedures applicable to his or her Claim described in the Plan and the Policies. The claimant must sue within three years of the time the Claim arose, unless the law in the area where the claimant lives allows for a longer period of time.

**LIMITATIONS AND EXCLUSIONS**

The Lay Life Plan, Clergy Supplemental Life Insurance Plan and Optional Life Insurance Plan have limitations and exclusions related to suicide. The suicide exclusion applies to all portable coverage within 24 months of the effective date of coverage, and to any amount of insurance for which you pay any part of the Required Premium or which is subject to evidence of insurability.

**ACCIDENTAL DEATH AND DISMEMBERMENT**

Under the AD&D features of the Lay Life Plan, the Clergy Supplemental Life Insurance Plan or the Optional Life Insurance Plan, benefits are not paid on account of any accidental losses caused by, contributed to by, or resulting from:

- suicide, self-destruction while sane, intentionally self-inflicted injury while sane; or
- self-inflicted injury while sane, or self-inflicted injury while insane;
- active participation in a riot;
- commission of a crime of which you are convicted;
- the use of any prescription or non-prescription drug, poison, fume, or other chemical substance unless used according to the prescription or direction of your physician. This exclusion will not apply to you if the chemical substance is ethanol;
- disease of the body or diagnostic, medical or surgical treatment, or mental disorder as set forth in the latest edition of the Diagnostic and Statistical Manual of Mental Disorders;
- being intoxicated; or
- war, declared or undeclared, or any act of war.

## **DISABILITY**

The Lay LTD Plan does not cover any disabilities caused by, contributed to by or resulting from your:

- intentionally self-inflicted injuries;
- active participation in a riot;
- loss of a professional license, occupational license or certification;
- commission of a crime of which you are convicted;
- war, declared or undeclared, or any act of war; or
- pre-existing condition.

You have a pre-existing condition if:

- you received medical treatment, consultation, care or services including diagnostic measures, or took prescribed drugs or medicines in the three months just prior to your effective date of coverage; and
- the disability begins in the first 12 months after your effective date of coverage.

The Lay LTD Plan will not pay a benefit for any period of disability during which you are incarcerated.

Review your Certificate of Coverage for additional exclusions and limitations to your coverage.

## **CONFIDENTIALITY AND PRIVACY**

Wespath and the Insurer understand that your privacy is important. Wespath and the Insurer are committed to protecting the confidentiality of nonpublic personal information (NPI).

The detailed notice in your Certificate of Coverage explains why the Insurer collects NPI, how it uses NPI and how it protects your privacy.

## **PLAN SPONSOR DUTIES**

Each Plan Sponsor has the following duties with respect to the Plan:

- to determine initial eligibility consistent with the terms of the Plan and to enroll Clergy and Lay Employees within 45 days of becoming eligible;
- to maintain records of Employees' compensation, enrollment and elections;
- to remit Required Premiums to Wespath;
- to provide Wespath with notice of a Clergy or Lay Employee's termination of employment, termination of Conference relationship or Change of Status, when the Plan Sponsor is made aware of the Change of Status;
- to provide Wespath with statistical data and other information satisfactory in form and accuracy, and within a reasonable time after a request;
- to register with and report to government agencies, as appropriate;
- to comply with applicable federal and state laws and regulations, including, but not limited to, nondiscrimination requirements;
- to properly notify Clergy and Lay Employees of their rights and obligations under the Plan, including giving notices required under the applicable federal and state laws and regulations; and
- to execute an Adoption Agreement indicating its elections of optional Plan provisions and providing any other information called for by the Adoption Agreement.

The Plan Sponsor may be deemed to satisfy its duties through actions by an agent, affiliated employer or local church, but the Plan Sponsor remains responsible for the duties if they are not carried out in an appropriate manner or timely fashion.

### **PLAN SPONSOR AMENDMENT AND TERMINATION**

The Plan Administrator and the Insurer may terminate your Plan Sponsor's participation in the Plan if your Plan Sponsor fails to pay any Required Premium on the date it is due. In addition to its right to terminate your Plan Sponsor's participation in the Plan on account of nonpayment of Required Premiums, the Plan Administrator reserves the right to terminate your Plan Sponsor's participation in the Plan if your Plan Sponsor fails to abide by any of the other terms of the Plan or its Adoption Agreement. The Plan Administrator and your Plan Sponsor will notify you if Wespath or the Insurer intends to terminate your Plan Sponsor's participation in the Plan.

Your Plan Sponsor may terminate its participation in the Plan by providing 180 days' notice to the Plan Administrator. Your Plan Sponsor must inform you of its termination from the Plan at least 60 days before the date of termination.

Your Plan Sponsor may amend its Adoption Agreement during the annual Adoption Agreement period, established by the Plan Administrator. Amendments will be effective as of the first day of the Plan Year that follows the execution date of the amendment. Your Plan Sponsor may amend its Adoption Agreement at other times during a Plan Year, with 90 days advance written notice to the Plan Administrator. Such amendments will become effective no earlier than the first day of the calendar quarter that follows such notice. Your Plan Sponsor may not make more than one amendment in any Plan Year. Your Plan Sponsor must provide appropriate notice to its eligible Employees.

### **WESPATH TERMINATION OF THE PLAN**

Wespath has the right to terminate the Plan and the Trust at any time. The disposition of assets remaining in the Plan, if any, after all obligations of the Plan have been satisfied, will be at the discretion of Wespath.

## MISCELLANEOUS IMPORTANT PROVISIONS

### INTERPRETATION OF THE PLAN AND BENEFITS

Wespath has sole and exclusive discretion to do all of the following:

- interpret the provisions and terms of the Plan;
- interpret the other terms, conditions, limitations and exclusions of the Plan, including this SPD; and
- make factual determinations related to the Plan.

However, the Plan Administrator has delegated to the Insurer, through contracts of insurance (i.e., the Policies), the authority and discretion to determine the availability of the benefits to any Claimant and to interpret the application of the Policies to the Plan. The Plan Administrator has delegated to the Insurer, through the terms of the Policies of insurance, the fiduciary duties of:

- adjudicating Claims for benefits; and
- hearing and adjudicating appeals of denied Claims.

You must submit all Claims to the Insurer. Claimants must submit ***all appeals*** of denied benefit Claims to the Insurer. The final determination—the ***final and binding*** appeal—with respect to benefits under the Plan and its programs rests with the Insurer. **The Plan Administrator does not have the authority to review the Insurer's determinations.**

In certain circumstances, for purposes of overall cost savings or efficiency, Wespath and the Insurer may, at their discretion, offer benefits that would otherwise not be covered. The fact that Wespath or Insurer does so in any particular case shall not in any way be deemed to require them to do so in other similar cases.

### NO WAIVER

The failure of Wespath or the Insurer to enforce strictly any term or provision of this SPD or the Plan will not be construed as a waiver of such term or provision. Wespath reserves the right to enforce strictly any term or provision of this SPD and the Plan at any time.

### CLERICAL ERROR

If a clerical error or other mistake occurs, that error does not create a right to benefits under the Plan. These errors include, but are not limited to, providing misinformation on eligibility or benefit coverage or entitlements. Oral statements made by Wespath, the Insurer or any other person will not serve to amend the Plan. In the event an oral statement conflicts with any term of the Plan, the Plan terms will supersede the oral statement.

**APPLICABLE LAW**

The Plan and each of its provisions shall be construed according to, and its and their validity determined by, the laws of the State of Illinois, other than its laws respecting choice of law, to the extent such laws are not pre-empted by any federal law, and in accordance with applicable federal law, and to the extent that *The Book of Discipline* is not the applicable governing law. Notwithstanding the foregoing, the Policies will be construed according to the law of the state from which the Insurer issues them. The Plan is intended to be:

- an employee welfare benefit plan under ERISA §3(1); and
- a Church Plan under Code §414(e) and ERISA §3(33) exempt from Title I of ERISA by ERISA §4(b)(2) and shall be construed accordingly.

Because the Plan is a Church Plan, it is exempt under ERISA §4(b)(2) from Title I of ERISA and most of the regulations of the U.S. Department of Labor and will be construed accordingly. Certain forms and notices from the Insurer may refer to ERISA; however, the terms of ERISA do not apply to the Plan.

**DISCREPANCY IN TERMS**

If there are any discrepancies between this SPD and the terms and conditions set forth in the official plan document of *UMLifeOptions* (Plan Document), the terms of the Plan Document will govern. If there are any discrepancies between this SPD and the terms and conditions set forth in the Policies, the terms of the Policies will govern.

**YOUR RIGHTS**

If you have any questions about your rights under applicable law, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor (see [www.dol.gov](http://www.dol.gov) or your telephone directory for contact information) or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue NW, Washington, D.C., 20210..You may also contact the Consumer Service Section, Illinois Insurance Department, 215 East Monroe Street, Springfield, Illinois 62767.

## DEFINITIONS

### **ADOPTION AGREEMENT**

An Adoption Agreement is an agreement that is executed by each Plan Sponsor and becomes part of the Plan when it is accepted by the Plan Administrator. An Adoption Agreement is the means by which a Plan Sponsor adopts the Plan and specifies any optional provisions that are a part of the Plan as to that Plan Sponsor.

### **AFFILIATED ORGANIZATION**

The term Affiliated Organization means any of the organizations and corporations associated with Wespath through The United Methodist Church, as described in Section 414(e) of the Code.

### **THE BOOK OF DISCIPLINE**

*The Book of Discipline* means the body of church law established by the General Conference of The United Methodist Church, as amended and restated from time to time. Cited paragraphs or other subdivisions are made to *The Book of Discipline 2020/2024* but are deemed to refer to successor provisions when an amendment or restatement of *The Book of Discipline* causes a change in citation.

### **CALENDAR YEAR**

The term Calendar Year means a 12-month period beginning on January 1 and each 12-month period thereafter.

### **CENTRAL CONFERENCE**

A Conference of the United Methodist Church described in ¶1541 and Section III of Chapter Four of *The Book of Discipline*.

### **CHURCH PLAN**

A Church Plan is an employee benefit plan established and maintained for its employees by a church or by a convention or association of churches as established in §414(e) of the Code and §3(33) of ERISA.

### **CLAIM**

A Claim is notification in a form acceptable to the Insurer and the Plan Administrator. This notification should include details, including your name, age, gender, identification number and any other information that the Insurer may request.

### **CLERGY**

Clergy means a person who is (a) a bishop, other than a bishop of a Central Conference, (b) a clergyperson, including a deacon, who is a member in full connection, a probationary or provisional member or an associate member, of an annual conference, (c) a local pastor (as these terms are described in either Chapter Two or Three of *The Book of Discipline*), (d) an ordained clergyperson from another Methodist denomination or (e) an ordained clergyperson from another denomination.

In addition, the term Clergyperson will include a clergyperson who is employed by a Disaffiliated Church. With respect to such Clergypersons, the terms of the Plan will be interpreted by the Plan Administrator in a manner that it deems reasonable and appropriate under the circumstances; for example, definitions that apply only to Clergypersons of The United Methodist Church (such as “under episcopal appointment”, “Conference”, or *The Book of Discipline* definitions) will be deemed

inapplicable to Clergypersons of a Disaffiliated Church, and will instead be interpreted in a manner that is reasonable and appropriate in that context

#### **CODE**

The term Code means the Internal Revenue Code of 1986, as amended.

#### **COMPREHENSIVE PROTECTION PLAN (CPP)**

The self-insured long-term disability and death benefits plan for Clergy of The United Methodist Church that is administered and maintained by Wespath.

#### **CONFERENCE**

The term Conference means an annual conference, provisional conference or missionary conference of The United Methodist Church that is located in a U.S. jurisdictional conference, as such entities are defined in *The Book of Discipline*.

#### **DEPENDENT**

The term Dependent means:

- Your lawful Spouse, including a legally separated spouse.
- Your unmarried children who were born alive and are younger than 19 years of age. Stillborn children are not eligible for coverage.
- Your unmarried dependent children who are at or over age 19 but under age 25 and who are full-time students at an accredited school.

Children include your own natural offspring, lawfully adopted children and stepchildren. They also include foster children and other children who are dependent on you for main support and living with you in a regular parent-child relationship. A child will be considered adopted on the date of placement in your home.

#### **DISAFFILIATED CHURCH**

The term Disaffiliated Church means a local church or group of churches that has disaffiliated from The United Methodist Church under the provisions of ¶2553 of *The Book of Discipline* (which became effective at the close of 2019 General Conference and expired on December 31, 2023), or has changed its connectional relationship pursuant to ¶2547, ¶2548, or ¶2549 of *The Book of Discipline* or otherwise but retains common religious bonds and convictions with The United Methodist Church through shared heritage or Wesleyan/Methodist values and beliefs.

#### **EMPLOYEE**

For the purposes of this SPD, an Employee must be a person who is described as an employee of a church in §414(e)(3) or §7701(a)(20) of the Code; i.e., they must be eligible to participate in a Church Plan. An Employee may be a (i) Lay Employee of a Plan Sponsor or (ii) a Clergy appointed to a Plan Sponsor, who has been made eligible for this Plan by the Plan Sponsor's elections in its Adoption Agreement. An Employee may be a former Employee who has retired.

#### **ERISA**

The term ERISA means the Employee Retirement Income Security Act of 1974, as amended.

**INSURER**

The term Insurer means Unum Life Insurance Company of America (Unum). The Plan Administrator has entered into insurance contracts and administrative services agreements with the Insurer, through which the Plan Administrator has delegated certain administrative and fiduciary duties to the Insurer, including, but not limited to, processing, adjudicating and paying Claims and hearing and deciding Claims appeals. The Insurer has issued to the Trust Policies of insurance and Unum summary of benefits numbers 128889 and 128890, which insure the eligible Employees of Plan Sponsors of the Plan.

**LAY EMPLOYEE**

Lay Employee means a person who is a common law employee of an Affiliated Organization that has executed an Adoption Agreement for this Plan. Temporary and seasonal employees shall not be considered Lay Employees under this Plan. For a Plan Sponsor that is an annual conference, Lay Employees are common law employees of the annual conference offices. For the purposes of this Plan, bishops of the Central Conferences of The United Methodist Church, although they are clergy, will be considered Lay Employees of the Plan Sponsor that adopts the Plan on their behalf, generally GCFA. Central Conference bishops may only be covered in the Lay Life component of the Plan; they may not be covered in the Lay LTD component.

**PARTICIPANT**

The term Participant means either the Employee (i.e., the primary Participant) or a Dependent, but this term applies only while such person is enrolled under the Plan. References to “you” and “your” throughout this SPD are references to a Participant. The term also may include retired Employees of Plan Sponsors who are eligible to participate under the Plan’s terms and the Plan Sponsor’s Adoption Agreement.

**PLAN**

The term Plan means the *UMLifeOptions* Plan maintained by the Plan Administrator on behalf of its Employees and the Employees and other Participants of the Plan Sponsors. The Plan is a Church Plan.

**PLAN ADMINISTRATOR**

The Plan Administrator means Wespath, an administrative general agency of The United Methodist Church, or any successor.

**PLAN SPONSOR**

The term Plan Sponsor means the Conference—if the Participant is an Employee of the Conference office or a Clergyperson who is appointed to a local church or a Conference-controlled entity—or the Affiliated Organization for other Employees, that has executed an Adoption Agreement.

**PLAN YEAR**

The term Plan Year means the 12-month period ending on December 31 of each Calendar Year. With respect to Plan Sponsors and Employees who first adopt or enroll in the Plan, it may mean the portion of the Plan Year following the date participation commences (i.e., a short Plan Year); for Plan Sponsors and Employees who terminate participation, it shall mean the portion of the Plan Year up to the date participation terminates.

**POLICIES**

The term “Policies” means the policies of insurance issued by Unum to the Trust that insure the eligible Employees of Plan Sponsors of the Plan, Unum summary of benefits numbers 128889 and 128890.

**REQUIRED PREMIUM**

Required Premiums include, but are not limited to, contributions or premiums due to the Plan for coverage under the Plan, as calculated by the Plan Administrator and the Insurer in their discretion, and any other amounts due as a condition of receiving coverage under the Plan.

**RETIRED CLERGY**

A Retired Clergy is a Clergy person who has retired in accordance with *The Book of Discipline* and has met the eligibility requirements established by his or her Plan Sponsor to qualify for life insurance benefits in retirement. Plan Sponsors will inform the Plan Administrator whether each retiring Clergy has qualified as a Retired Clergy for the purposes of this Plan. A Plan Sponsor may exclude Clergy who retire under the 20-year rule. Plan Sponsors may make exceptions to the general five-year rule (or 10-year, 15-year or 20-year) for retired coverage eligibility for Clergy who retire after service in certain special appointments, such as appointments under ¶346.1 or ¶344.1.

**RETIRED EMPLOYEE**

The term Retired Clergy person means a Clergy person who has retired in accordance with *The Book of Discipline* (or, in the case of a Plan Sponsor that is a Disaffiliated Church, in accordance with the Plan Sponsor’s retirement policy) and has met the eligibility requirements established by his or her Plan Sponsor to qualify for life insurance benefits in retirement. Plan Sponsors will inform the Plan Administrator whether each retiring Lay Employee has qualified as a Retired Employee. In addition, a Central Conference bishop will be considered a Retired Employee if the Plan Sponsor (GCFA) informs the Plan Administrator that he or she has qualified as a Retired Employee.

**SPOUSE**

The term Spouse, for purposes of the Plan, means a person who is married to a Lay Employee or Clergy person in accordance with the law of the jurisdiction in which the Lay Employee or Clergy person resides. A person who is a “common law” spouse is not considered a Spouse for the purposes of the Plan. A person who is a Spouse will still be a Spouse even if the person is geographically or legally separated (but not yet divorced) from the person to whom he or she is married.

**TRUST**

The term Trust means the Trust for the UMLifeOptions Plan.

**TRUSTEE**

The term Trustee means Wespath.

**WESPATH**

Wespath administers the UMLifeOptions plan and other health, welfare and retirement benefits and investments. Wespath is a general agency of The United Methodist Church.

## GENERAL INFORMATION

### **Name and Address of the Plan Administrator**

Wespath  
1901 Chestnut Avenue  
Glenview, Illinois 60025-1604  
1-847-869-4550

### **Name and Address of the Designated Agent for Service of Legal Process**

CT Corporation  
208 South LaSalle Street  
Chicago, IL 60604  
1-800-475-1212

### **Name and Address of the Insurer**

Unum Life Insurance Company of America  
2211 Congress Street  
Portland, Maine 04122  
1-800-985-0242

### **Internal Revenue Service Identification Number**

The corporate tax identification number assigned by the Internal Revenue Service to Wespath is 36-2166979.

### **Method of Funding Benefits**

Benefits under the Plan are entirely funded through and provided by the Policies of insurance, Unum summary of benefits numbers 128889 and 128890.



# Wespath

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