

THE PENSION BOARDS-UNITED CHURCH OF CHRIST, INC.

EMPLOYER ADOPTION AGREEMENT

This Employer Adoption Agreement ("Agreement"), effective _____ 2018, by and

between _____ ("Employer") and The Pension Boards-United Church of Christ, Inc. ("PBUCC") provides for the Employer's participation in certain employer group retirement, health and welfare plans and programs of the United Church of Christ sponsored and administered by PBUCC (collectively referred to herein as the "PBUCC Plans"). This Agreement is effective as of _____, and documents the roles and responsibilities of the parties relating to Employer's participation in the PBUCC Plans and the enrollment of its employees in the PBUCC Plan(s).

1 PBUCC Responsibilities.

- 1.1 PBUCC sponsors the PBUCC Plans for the benefit of the employees and eligible dependents of United Church of Christ churches and organizations controlled by or associated with the United Church of Christ. The PBUCC Plans are church plans as described in section 414(e) of the Internal Revenue Code (the "Code") and are exempt from Title I of the Employee Retirement Income Security Act ("ERISA").
- 1.2 PBUCC shall provide the benefits coverage elected by Employer in accordance with the terms of the PBUCC Plans and consistent with applicable federal and state law to enrolled employees and their beneficiaries.

2 Employer Responsibilities.

- 2.1 Plan Adoption. By executing this Agreement, Employer is certifying that it is a 501(c)(3) organization that is controlled by or associated with the United Church of Christ and is adopting the PBUCC Plans to offer coverage under the benefit plans and programs listed on Schedule 2.1 to its eligible employees during the annual open enrollment period for the Plan Year with the stated employee contribution levels, and agrees to be subject to the terms, provisions, and conditions of the PBUCC Plan(s), as it may be amended from time to time, and as may be supplemented by this Agreement. Upon PBUCC's request, Employer shall provide a copy of resolutions and any other governance documentation confirming that the Employer is an organization controlled by or associated with the United Church of Christ and authorizing the adoption of the PBUCC Plans and programs listed on Schedule 2.1 for its employees.
- 2.2 Compliance Requirements. By enrolling your employees for coverage under the PBUCC Plans and submitting this Agreement, as an authorized representative of the Employer, you are agreeing that the Employer will be responsible:
 - to abide by the employer requirements of the PBUCC Plans, including without limitation the employee eligibility and enrollment provisions,

- to define and administer benefit groups fairly and consistently and in compliance with all applicable federal, state, and local employment, employee benefits and tax laws and regulations,
- if applicable,
 - to collect and retain employee salary deferral agreements for elective deferrals,
 - to administer a cafeteria plan to provide for pre-tax salary deferral elections for medical plan contributions, and
 - to promptly remit any employee payroll withholdings for elective deferrals to PBUCC and any medical plan contributions for Medical Plan coverage to PBUCC.
- to remit the entire amount due for the full amount of dues for such coverage to PBUCC in a timely manner (collecting member contributions is solely the employer's responsibility); if dues are in arrears, PBUCC reserves the right to terminate coverage or suspend benefits for individuals enrolled for coverage under the PBUCC Plans.

2.3 Employee Benefits Options and Contributions. Employer elects to offer the groups of eligible employees the benefits coverage listed on Schedule 2.3 with employee contribution requirements described in Schedule 2.3. If Employer elects to offer the UCC Annuity Plan, there are additional terms specific to the Annuity Plan that are set forth in Exhibit A.

2.4 Required Reporting of Eligibility and Enrollment Changes. Employer agrees to report any changes in service or employee and beneficiary qualifying life events within 30 days of an employee's termination of employment, retirement, death, or disability, or other qualifying life event. PBUCC may request verification or other employee eligibility information from you at any time and for any reason to properly administer the UCC Annuity Plan. Employer agrees to respond promptly to any information requests from PBUCC.

2.5 Payment of Dues. Employer agrees to remit promptly any dues invoiced by PBUCC for benefits coverage elected under this Agreement and understands that the final invoiced dues costs will be based on the cost of the coverage, and the employees' coverage elections for PBUCC Plans. Employer is responsible for remitting the total dues amount to PBUCC.

3 Amendments.

3.1 The PBUCC Plans terms may only be amended by PBUCC.

3.2 Employer may, on an annual basis, at a time prescribed by PBUCC, change the benefits options available to its employees for the next Plan Year under this Agreement, including provisions related to future employee contribution requirements. Mid-year changes may be permitted under certain circumstances, including, but not limited to, the inclusion of a new class of employees. Any such change must be reported to PBUCC in advance of the effective date by submitting a revised Employer Adoption Agreement to PBUCC.

Employer Adoption Authorization

By signing below, the Employer by its duly authorized officer or other representative hereby adopts the PBUCC Plans designated on Schedule 2.1 and agrees to the provisions, rules and procedures with respect to eligibility and contributions as indicated above. The Employer, by its duly authorized officer or representative, has

executed this document on this the _____ day of _____, 20 _____.

Name of Employer: _____

Authorized officer or representative signature: _____

Printed name of authorized officer or representative: _____

Title of authorized officer or representative: _____

An executed copy of this document should be completed and retained by the Employer along with any similar documents previously completed and executed. In addition, the Employer should send an executed copy of this document to The Pension Boards–United Church of Christ, Inc.

SCHEDULE 2.1
EMPLOYER PBUCC PLAN ELECTIONS

Check all that apply:

- Annuity Plan for the United Church of Christ
- Flexible Benefit Plan for UCC Ministries (“Flexible Spending Account” or “FSA”)
- UCC Medical Benefits Plan
- UCC Life Insurance and Disability Income Benefit Plan
- Long-Term Care (through ACSIA Partners)
- UCC Dental Plan
- UCC Vision Plan (through VSP)

SCHEDULE 2.3
EMPLOYEE ELIGIBILITY AND CONTRIBUTION LEVELS

I. MEDICAL PLAN. Employer's eligibility rules and contribution requirements for participation in the Medical Plan for full-time and part-time employees are:

A. Eligibility. *[Employer to complete.]*

Examples:

Full-time (at least 72 hours per two-week (bi-weekly)) pay period after completing at least 60 days of continuous employment with Employer. Benefits coverage shall commence on the first day of the month following fulfillment of these eligibility requirements.

Part-time (at least 60 hours per two-week (bi-weekly)) pay period after completing at least 60 days of continuous employment with Employer. Benefits coverage shall commence on the first day of the month following fulfillment of these eligibility requirements.

B. Employee Contribution Requirements. *[Employer to complete.]*

Examples:

Full-time and part-time employees may elect member-only, member-spouse, member-child(ren), member-family coverage and, upon such election, shall be responsible for employer-specified income-based contribution amounts.

While the percentage of employee contribution requirement established by the Employer is variable, based on income, tobacco usage, and availability of spousal coverage, in no event will the Employer's minimum contribution requirement fail to meet the Plan's minimum employer contribution requirement of 50% of single coverage.

II. WELFARE PLANS.

Flexible Spending Accounts, UCC Life Insurance and Disability Income, Long-Term Care.

Employer's eligibility rules and contribution requirements for participation in these plans are:

A. Eligibility. *[Employer to complete.]*

B. Employee Contribution Requirements. *[Employer to complete.]*

III. ANNUITY PLAN.

1. EMPLOYEE CONTRIBUTIONS (FROM THEIR OWN PAY) Collection and remittance of the employee's contribution amounts is the sole responsibility of the Employer.

A. Tax Sheltered Contributions and After-Tax Contributions

While employed by the Employer, an eligible Employee may make (check all that are applicable):

_____ Tax Sheltered Contributions to the Plan

_____ After-Tax Contributions to the Plan

Check the Employees who will be eligible to make Tax Sheltered Contributions and/or After-Tax Contributions:

_____ All Employees will be eligible.

or

_____ Only Employees who meet the following Service and/or age requirements below will be eligible:

_____ Expected and/or regularly work _____ hours or more per _____ (week, month, year)

_____ Other (insert other Service and/or age requirement here): _____

IMPORTANT COMPLIANCE NOTE: Code Section 410(a)(1) contains minimum age and service requirements which generally provide that a plan cannot require, as a condition of participation, that an employee complete a period of service with the employer extending beyond the later of: (1) the date on which the employee attains age twenty-one (21), or (2) the date on which the employee completes one (1) year of service. If the plan provides for 100% immediate vesting, then two (2) years of service, rather than just one (1) year of service, are permitted. Also, educational institutions with 100% immediate vesting may increase the minimum age from 21 to 26.

Check when an eligible Employee can begin participation in the Plan:

_____ The first day the Employee meets the eligibility requirements set forth above of the Annuity Plan

_____ Other date and/or age requirement: _____

IMPORTANT COMPLIANCE NOTE: Code Section 410(a)(4) contains rules for plan entry dates [the dates when an eligible employee must begin participation] which generally provide that an employee who is otherwise eligible to participate under the terms of the plan must commence participation no later than the earlier of: (1) the first day of the first plan year beginning after the date on which the employee satisfied the Code section 410(a)(1) minimum age and service requirements, or (2) the date six (6) months after the date on which the employee satisfied the minimum age and service requirements.

2. EMPLOYER CONTRIBUTIONS

A. Check the Employees who will be eligible to receive Employer-provided Contributions to the Plan:

_____ All Employees will be eligible

_____ Other - Specify: _____

B. Service and Age Requirements.

If your organization does not impose a service and/or age requirement to receive Employer-provided Contributions to the Plan, then skip this and go to the next section, but if your organization does impose a service and/or age requirement, check all that apply:

_____ Service and/or age requirement applies to (specify): _____

_____ Must be age _____ or older

_____ Must complete _____ months or more of service

Past denominational Service of new hires _____ will / _____ will not be counted.

Past service of former Employees who are rehired _____ will / _____ will not be counted

_____ Expected to and/or regularly works _____ hours or more per _____ (week, month, year)

_____ Other (insert any other service requirement here): _____

C. If your organization provides Employer Contributions, check the appropriate space(s) and enter the appropriate percentage(s) or amount(s):

_____ A fixed percentage equal to _____% of Compensation

_____ Other – Specify: _____

and/or

_____ A fixed dollar amount of \$_____ per _____ (year, month, pay period, etc.)

_____ Other – Specify (e.g., a matching contributions formula such as 1% of Compensation for each 1% of Tax Sheltered Contributions up to 6% of Contributions): _____

and/or

_____ A percentage of Compensation based on the following Years of Service schedule:

Completed Years of Service	Percentage of Compensation
Less than _____ Year(s)	_____%
_____ Year(s)	_____%
_____ Year(s)	_____%
_____ Year(s)	_____%
_____ Year(s)	_____%

_____ Other (Insert any other Employer-provided Contributions here): _____

No additional requirements exist to receive Employer Contributions.

EXHIBIT A

ADDITIONAL TERMS SPECIFIC TO THE ANNUITY PLAN

This Exhibit sets forth further terms and conditions of the Employer Agreement relating to the Employer's participation in the Annuity Plan.

Eligibility

The Annuity Plan provides that all employees of the employer shall be eligible to make salary deferral contributions to the Annuity Plan if they are regularly scheduled to work for an eligible employer. An employer may impose additional eligibility conditions but must report any additional requirements to PBUCC on Schedule 2.3 in advance of their effective date.

Employer Contributions

The Annuity Plan provides that employers may, in their discretion, make employer contributions to the Annuity Plan on behalf of eligible employees. If employer contributions are made on a matching basis or by arrangement not described in the Employer Agreement, the employer must describe those provisions on Schedule 2.3 and, upon request, submit the resolution, employee handbook section or description of the employer contributions for each benefit group to PBUCC.

Contribution Limits

Employer understands and agrees that it is the Employer's responsibility to

- Inform its employees of the annual contribution limits and to maintain completed Employee Retirement Contribution Agreement.
- Monitor the calendar year contribution limits for salary deferral contributions (pretax and Roth after-tax), age-based catch-up contributions (pretax and Roth after-tax), and service-based catch-up contributions (pretax and Roth after-tax) as detailed in the IRS Publication 571 Tax-Sheltered Annuity Plans (403(b) Plans) for the applicable tax year, available at [irs.gov/pub/irs-pdf/p571.pdf](https://www.irs.gov/pub/irs-pdf/p571.pdf).

Employer Transfer of Former Plan Assets into Annuity Plan

PBUCC will not permit an Employer's transfer to or merger of the plan assets of a current or former retirement plan with the UCC Annuity Plan if the Employer has made an irrevocable election to be subject to ERISA under Code Section 401(d) for such current or former retirement plan.

Remittance of Annuity Plan Contributions

Employer agrees to remit Annuity Plan contributions withheld from its employees' payroll wages to PBUCC as soon as practicable but in no event later than fifteen (15) business days following the month in which contributions are withheld from an employee's salary. If the employer is delinquent in remitting contributions, it will be the sole responsibility of the employer to remit the delinquent contributions and any lost earnings on those contributions to PBUCC. The employer understands that it must remit contributions within the required time periods prescribed by law, even if no invoice or reminder notice is provided to the employer by PBUCC.

Other Employer Legal Compliance Responsibilities

If Employer is a non-qualified church-controlled organization (Non-QCCO), it is responsible for compliance with the universal availability notice and the non-discrimination testing requirements applicable to such employers.

Churches and qualified church-controlled organizations (QCCOs) are exempt from the following legal compliance requirements.

Universal availability means if the Non-QCCO employer permits one (1) employee to defer salary into a 403(b) plan, the Non-QCCO employer must extend this offer to all employees, other than those whom the law allows to be excluded.

Universal availability also requires the plan to give meaningful notice to employees of their right to make elective deferrals. The notice must notify the employees of:

- their right to make elective deferrals;
- when to make an election; and
- when and how often during the year they can change that election.

A 403(b) plan generally may not place conditions on an employee's right to make elective deferrals.

Non-discrimination testing is required if a Non-QCCO employer makes employer non-elective or matching contributions. The employer's contributions must satisfy the following non-discrimination requirements in the same manner as a qualified plan under the following Code sections.

- Code Section 401(a)(4) – relating to non-discrimination in contributions and benefits;
- Code Section 410(b) – relating to minimum coverage;
- Code Section 401(a)(17) – limiting the amount of compensation that can be taken into account; and
- Code Section 401(m) – relating to matching and after-tax employee contributions.