CHURCH PENSION FUND
Passionate About Our Purpose

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September 12, 2023

SECURE 2.0 Act and Other Changes

Dear Friend:

As you may know, the SECURE 2.0 Act ("SECURE 2.0") was passed by Congress and signed into United States law last December. Since that time, we have been implementing the changes that are required by SECURE 2.0.

The following is a summary of certain key changes required by SECURE 2.0[1] as well as other changes being made (or that have been made) to the benefit plans sponsored by The Church Pension Fund ("CPF"). **You do not need to take any action at this time**, as this letter is informational in nature.

- **Delayed Required Minimum Distributions**. As of January 1, 2023, the age at which participants in the Lay DC Plan and the RSVP[2] must begin taking required minimum distributions ("RMDs") was increased from age 72 to age 73. This change also applies to the Lay DB Plan.[3] The IRS required beginning date will further increase from age 73 to age 75 for participants who attain age 73 after December 31, 2032.

- **Addition of Roth Account Feature**. By January 1, 2024, CPF will add a Roth account feature to the Lay DC Plan and RSVP. This means that the participants in such plans will be able to make contributions on an after-tax basis with any potential earnings growing tax-free (as long as certain conditions are met when a withdrawal is taken).[4]

- **Roth Catch-Up Contributions Required for Certain Participants**. SECURE 2.0 requires that lay employees who participate in the Lay DC Plan and RSVP with FICA wages in excess of $145,000 must make any catch-up contributions on an after-tax basis to a Roth account (and not on a pre-tax basis).[5] Although this change was originally scheduled to take effect on January 1, 2024, the IRS recently announced a two-year administrative transition period—meaning that the Lay DC Plan and RSVP can continue to allow pre-tax, catch-up contributions by all employees through December 31, 2025.

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[1] *This letter describes only the changes that impact retirement plans sponsored by CPF. You should consult your financial advisor to learn about other provisions under SECURE 2.0 that may impact you.*
[2] *These terms refer respectively to The Episcopal Church Lay Employees' Defined Contribution Retirement Plan and The Episcopal Church Retirement Savings Plan.*
[3] *This term refers to The Episcopal Church Lay Employees' Retirement Plan. Note that the change in the IRS required beginning date does not apply to participants in The Church Pension Fund Clergy Pension Plan ("Clergy Pension Plan") because Episcopal clergy are required by canon law to retire at age 72.*
[4] *As of January 1, 2024, Roth accounts will not be subject to the RMD rules.*
[5] *Because clergy are not subject to the FICA tax (that is, they are subject to the SECA tax), this requirement does not currently apply to them. Note that catch-up contributions are available only to participants who will turn age 50 or older in the applicable calendar year.*

- **Mandatory Arbitration and Class Action Waiver**. All of the retirement and related plans sponsored by CPF have been amended to require the arbitration of disputes (generally following a two-level, internal appeals process). In addition, any participant, beneficiary, or other person seeking a benefit from a CPF plan is subject to a class action waiver.

For more information about these changes, please visit this webpage: *https://www.cpg.org/secure2act.* The webpage also describes additional changes that are applicable to participants in the Clergy Plans[6] and the International Clergy Pension Plan.

If you have any questions about this letter, please call our Client Services team at (866) 802-6333, Monday to Friday, 8:30 AM to 8:00 PM ET, or email benefits@cpg.org.

Sincerely,
Church Pension Group

[6] *This term refers to the Clergy Pension Plan and related ancillary benefit plans.*