

# Frequently Asked Questions

## When Applying for a Basic Pension (BP)

### 1. Why am I receiving a Basic Pension application?

According to our records, you were grandfathered into the Basic Pension Plan (BPP), because you earned a year of service prior to January 1, 1996. Also, you will soon turn age 65. We send a BPP application to such persons who have not already applied for an early or disability pension.

### 2. Where do the funds for my retirement come from?

Your retirement benefits are assumed to come from two sources—your Basic Pension, which is paid from the pension trust, and Annual Pension Supplements (APS) which have been deposited by P&B into your Fidelity Nazarene 403(b) Retirement Savings Plan account over the years.

### 3. How many years of service do I need to receive a benefit?

Generally, 10 years of service are required.

### 4. How is a year of service determined?

Years of service are considered to be the number of January 1's you served in a full-time eligible assignment (pastor, DS, associate, evangelist, or district-assigned) with full-time, full-livelihood status.

### 5. What if I had years of service in Canada?

If your years of service in Canada were prior to January 1, 1993, you may use the application form by logging in to PB Access at [pbaccess.nazarene.org](http://pbaccess.nazarene.org). See the response to Question 20 (What do I need to do?) in this FAQ.

For Canadian service after December 31, 1992, contact the Canadian National office at [national@nazarene.ca](mailto:national@nazarene.ca).

### 6. How will I know the amount of my benefit?

P&B will send you a "Notice of Benefit Determination." This will cite your years of service determination and benefit amount.

### 7. What are my possible BPP payment outcomes?

- Your BP may come to you in the form of a monthly payment.
- If the total value of your BP is less than \$10K (i.e. your monthly payment is \$70 or less) you will receive a lump sum amount, which will be deposited directly into your Nazarene 403(b) account.
- If your APS Source value (the funds deposited by P&B into your Fidelity account and the earnings on those funds) generate a monthly benefit greater than the total monthly benefit based on years of service, all of your retirement monies will come from your 403(b) account, so there will be no Basic Pension benefit.

### 8. How long does it take to process my application?

Normally it takes three to four weeks to complete the process.

### 9. When can I expect my first benefit payment?

If you are applying at age 65, your first payment will arrive the month after you turn 65, if P&B has received your application.

### 10. When are benefit payments processed?

Monthly pension benefits are paid on the 20<sup>th</sup> of the month, with the exception of December, when payments are made on the 13<sup>th</sup>.

### 11. Are cost of living adjustments (COLA) made for my monthly benefit?

The plan provides for possible future increases; however, there is no guarantee of benefit increases.

### 12. Can my spouse receive my benefit when I die?

Yes, when you apply, you will be asked to choose between the *standard* (60% to surviving spouse) or *optional* (100% to surviving spouse) benefit. Selection of the optional choice usually results in an overall reduction of about 10%, but the amount will not change upon your death.

**13. I am a surviving spouse. When can I claim a benefit?**

You are eligible to apply for your pension at age 62 or an early benefit at age 60 with a reduced benefit. If you are disabled, you may apply at any time with no reduction in your benefit.

**14. Can my retirement benefit be designated as minister's housing allowance?**

Yes. We do this automatically for credentialed ministers in the Church of the Nazarene.

**15. Do I have to apply and begin receiving my benefit now?**

No. This is your personal decision. If you wish to continue to pastor, you may continue to accrue years of service up to the time when you begin to receive a Basic Pension. If retired, however, you need to apply by the age of 70.5.

Note that in many cases, it is better to begin receiving your Basic Pension benefit when you become eligible. The reason for this is that while additional years of service may increase the monthly benefit amount, starting payments at age 65 often adds to the amount of time over which your payments are received, thus resulting in more money being paid to you. Of course, the actual cumulative total depends on how long you and (if married) your spouse live.

Since your retirement benefit generally comes from two sources (BPP and APS), if you wait, it could be that your pension amount will be smaller. This could be the case if APS funds grow between the time when you could begin to receive your pension and the date when you actually start. Again, the choice is yours.

**16. If I start my benefit now, can I continue to minister full-time?**

Yes. You may begin your benefit and continue to serve as an active minister in the Church of the Nazarene.

**17. If I start my benefit now, will my benefit increase if I continue to minister full time?**

No. Once you begin receiving a Basic Pension, you will not accrue additional years of service under the BPP and no additional APS will be added to your 403(b) account.

**18. Does the IRS require me to receive this benefit?**

Yes. An individual who has reached the latter of retirement from service in the Church of the Nazarene or age 70.5, must apply for potential pension benefits due them from IRS-qualified church plans.

**19. Am I required to withdraw funds from my 403(b) account when I begin to receive my Basic Pension?**

No. One advantage of your Fidelity 403(b) account is that you can manage those funds the way you choose. The IRS does, however, require that you begin receiving annual required minimum distributions (RMD) from your 403(b) account at the latter of when you retire from active service in the Church of the Nazarene or by April 1 in the year after you reach the age of 72.

**20. What do I need to do?**

In the past, we required persons to complete an online form and mail it to us; however, now you may enroll via our website at [pbaccess.nazarene.org](http://pbaccess.nazarene.org).

The first time you log in to PB Access, you will need to set up an account by selecting "New User" on the login screen.

Once you have logged in, select the "Retirement" tab, then select "Basic Pension" under the Plan Name in the onscreen list. A blue tag ("Apply for Benefits") will appear. Select this button and a new screen will appear. It should already be partially filled with information you have on file with the General Secretary.

Next, make any needed corrections to personal and/or assignment information and complete the rest of the form. A user guide that may be helpful is available [here](#).

**Note:** The descriptions of these benefits are not guarantees of current or future benefits. If there is any conflict between this guide and official Plan Documents, the official documents will govern.