

***UMLifeOptions* Clergy Long-Term Disability (LTD) and Life Insurance Plan**
Plan Sponsor Adoption Agreement and Exhibits A and B

Part 1 – General Information Please print.

1. Name of plan sponsor _____
 2. Employer # ____ - ____ - ____ - ____
 3. Federal employer identification # ____ - ____ - ____ - ____ - ____ - ____
 4. Plan sponsor mailing address _____
 5. Plan sponsor telephone # (_____) _____
 6. Name and title of contact person(s) _____
 7. Contact person(s) telephone # and e-mail address _____
 8. Name of annual conference _____ Website _____
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Part 2 – The Plan

1. The General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois (Wespath) administers the *UMLifeOptions* Plan (Plan).
2. The Plan is a welfare benefit plan as defined in §3(1) of the Employee Retirement Income Security Act of 1974, as amended (ERISA) that provides life insurance benefits and long-term disability income protection benefits to Clergy of participating plan sponsors, and is a church plan as defined in §3(33) of ERISA and §414(e) of the Internal Revenue Code of 1986, as amended (Code), which is exempt from Title I of ERISA pursuant to §4(b)(2) of ERISA.
3. Wespath and the trustee of the Employee Welfare Benefit Trust of The United Methodist Church (Trust) may purchase policies of insurance to provide the benefits under the Plan.
4. The Trust is the policyholder of the insurance policies (Policies) that insure the benefits provided under the Plan.
5. _____ (plan sponsor) is eligible to participate in and wishes to adopt the Plan.
6. Plan sponsor understands that by executing this adoption agreement it becomes a participating employer in the Trust and its clergy, where applicable, will be eligible for coverage under the terms of the Plan, Policies and this adoption agreement.
7. Effective as of _____, 20____(effective date), plan sponsor hereby adopts the Plan for its eligible Clergypersons in accordance with the following provisions.
8. Plan sponsor agrees to be bound by all the terms, provisions, administrative policies and guidelines of the Plan including, but not limited to, the plan document, Policies and this adoption agreement.
9. Plan sponsor agrees to comply fully with all financial, actuarial, legal and administrative policies, guidelines and procedures of the Plan as requested or directed by Wespath.
10. Plan sponsor shall elect on *Exhibit A*, attached hereto and incorporated herein by reference, the categories of Clergypersons eligible for coverage under the Plan and applicable eligibility criteria for those elected categories. Plan sponsor's elections in *Exhibit A* shall become eligibility criteria that Clergy must satisfy before becoming eligible for coverage in the Plan.

11. Plan sponsor agrees to make any necessary records and data available to Wespath in order to determine the eligibility of all potentially eligible Clergypersons, spouses and other dependents pursuant to the terms of the Plan and this adoption agreement.
12. Plan sponsor agrees to cover 100% of all its eligible Clergy and agrees to remit 100% of the required premiums associated with such Clergypersons' coverage under the Plan. Plan sponsor acknowledges that the Plan is a noncontributory plan, meaning that plan sponsor pays the entire premium for coverage of each of its eligible Clergypersons.
13. Plan sponsor shall elect in *Exhibit B*, attached hereto and incorporated herein by reference, whether it shall provide life insurance benefits, long-term disability (LTD) income protection benefits or both components, to its eligible Clergy under the Plan. Plan sponsor shall elect in *Exhibit B* the coverage and design of its elected Plan components (i.e., life and LTD components) it wishes to provide to its eligible Clergy under the Plan.
14. Plan sponsor acknowledges that Wespath has the authority to modify the Plan and the design of the plan components at any time. Wespath agrees that it will, in good faith, use its best efforts to provide notice to the plan sponsor of any material modifications with respect to *Exhibit A* or *Exhibit B* at least six months before the effective date of such modification.
15. Plan sponsor acknowledges that by electing to adopt the life component in *Exhibit B* it also elects to sponsor the *UMLifeOptions* Optional Life Insurance Plan, a voluntary supplementary life insurance plan, for its eligible Clergy who are enrolled for coverage under the life component of the Plan. Clergy who enroll in the Optional Life Insurance Plan elect and pay for optional life coverage directly through the insurer; plan sponsor is not under obligation to pay for such optional life coverage.
16. Plan sponsor may amend *Exhibit A* and *Exhibit B* during the annual adoption agreement period (as defined by Wespath) established by the Plan. Amendments will be effective as of the first day of the calendar year (Plan Year) that follows the execution date of the amendment. Plan sponsor may amend *Exhibit A* or *Exhibit B* at other times during a Plan Year, with 90 days advance written notice to Wespath, having an effective date no earlier than the first day of the calendar quarter that follows such notice. Plan sponsor may not make more than one such amendment in any Plan Year. Plan sponsor must provide appropriate notice to its eligible Clergy.
17. Wespath or its insurer or agent shall send plan sponsor an invoice of required premium for all eligible Clergy no less frequently than quarterly. Plan sponsor has a duty to review invoices for accuracy and to notify Wespath of any discrepancies related to enrollment or billing in a timely manner.
18. Plan sponsor shall remit the entire amount of required premium (as noted on the invoice) described in Section 12 herein by the due date. Plan sponsor acknowledges that payment of required premium is its duty and not that of Wespath or the Trust.
19. Plan sponsor agrees to abide by all applicable laws and regulations pertaining to the Plan and its participating employers.
20. Plan sponsor agrees to offer coverage under this Plan on a nondiscriminatory basis, in accordance with applicable laws, to all Clergypersons within any category the plan sponsor elects on *Exhibit A*.
21. This adoption agreement shall become effective as of the effective date, and continue in effect for an initial term of three Plan Years from such effective date (Initial Term). Thereafter, this adoption agreement shall automatically renew on the first day of each successive Plan Year for an additional Plan Year until terminated pursuant to Sections 22, 23, 24, 25 or 26, below.
22. After the Initial Term has expired, this adoption agreement may be terminated by plan sponsor effective as of the end of the last day of the then-current Plan Year; provided, however, that the plan sponsor must provide written notice of such termination to Wespath at least six months before the effective date of such termination.
23. After the Initial Term has expired, Wespath may terminate this adoption agreement for any reason effective as of the end of the last day of the then-current Plan Year, by giving the plan sponsor written notice of such termination at least 90 days before the effective date of such termination.
24. Section 23 notwithstanding, Wespath may terminate this adoption agreement immediately if plan sponsor fails to pay any required premium (as described in Sections 12 and 18, above) upon the due date pursuant to the terms of the Plan. In the event Wespath seeks to terminate the adoption agreement with plan sponsor due to nonpayment of required premium, Wespath shall provide plan sponsor written notice of its intent to terminate. Wespath shall provide such written notice to plan sponsor no less than 15 days prior to the effective date of termination.

25. In addition to its right to terminate this adoption agreement on account of nonpayment under Section 24, Wespeth reserves the right to terminate the plan sponsor's participation in the Plan if the plan sponsor fails to abide by any of the other terms of the Plan or this adoption agreement. Wespeth will provide written notice to the plan sponsor of such noncompliance and Wespeth's intent to terminate this adoption agreement (and therefore the plan sponsor's participation in the Plan). Wespeth will allow the plan sponsor the opportunity to correct such noncompliance and continue participation in the Plan within 30 days of the written notice. If such noncompliance is not corrected within the 30-day period, Wespeth will terminate this adoption agreement.
26. Notwithstanding the terms of Sections 24 and 25, or anything in this adoption agreement to the contrary, if the terms of the Policies dictate termination of this adoption agreement for plan sponsor, e.g., on account of nonpayment of required premium, then this adoption agreement shall terminate.
27. Plan sponsor remains obligated to pay required premium for coverage of all eligible Clergypersons under the Plan through the date of termination.
28. Plan sponsor acknowledges the insured nature of the Plan, meaning that the insurer bears the responsibility for adjudication of claims and payment of benefits. Wespeth 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 plan sponsor to adhere to published rules and procedures may jeopardize the rights and benefits of Employees.
29. Plan sponsor acknowledges that for the purpose of this adoption agreement and its exhibits, the following terms shall have the meaning defined below.

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

Note: Central Conference bishops may only be covered in the life insurance component of the Plan; they may not be covered in the LTD component.

Part 3 – Adoption

In witness whereof, the undersigned, a duly authorized representative of the plan sponsor, hereby declares the plan sponsor's desire and intent to adopt the Plan by causing this adoption agreement to be executed as of the date indicated below:

Plan sponsor legal name _____

Print name of authorized representative _____ Title _____

Authorized signature _____ Date _____

Print name of authorized representative _____ Title _____

Authorized signature _____ Date _____

Part 4 – Wespeth Signatures

In witness whereof, the General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois (Wespeth), accepts the adoption agreement submitted by plan sponsor as of the date indicated below:

General Board of Pension and Health Benefits of The United Methodist Church, Incorporated in Illinois (Wespeth)

Print name of authorized representative _____ Title _____

Authorized signature _____ Date _____

Print name of authorized representative _____ Title _____

Authorized signature _____ Date _____

Plan Sponsor Adoption Agreement *Exhibit A*—Clergyperson Eligibility Elections for Conferences

If conference Plan Sponsor does not complete *Exhibit A*, no Clergypersons will be eligible for coverage under the Plan.

Part 1 – Active Clergyperson Employee Coverage

A Clergyperson can only be covered in this Plan if he or she is not eligible to participate in the Comprehensive Protection Plan (CPP) and falls into one of the categories below that the Plan Sponsor elects to cover.

	Full and Provisional Members (Elders and Deacons), Associate Members, and Clergy of Other Methodist Denomination	Local Pastor	Member of Other (non-Methodist) Denomination
Appointed $\frac{1}{4}$ time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appointed $\frac{1}{2}$ time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Appointed $\frac{3}{4}$ time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

b. Minimum Age Requirement

Clergypersons must be at least age 15 to be eligible for coverage under the Plan.

If the Plan Sponsor wishes to require that Clergypersons be older than age 15 to be eligible for coverage, please select one of the following:

- Plan Sponsor elects to require that Clergypersons be older than age 15; Plan Sponsor requires its Clergypersons be at least:
- Age 18 to be eligible for coverage in the Plan.
 - Age 21 to be eligible for coverage in the Plan.

c. Waiting Period

The waiting period is the amount of time a Clergyperson must serve at his or her Plan Sponsor before he or she becomes eligible for coverage in the Plan. Plan Sponsor may choose a waiting period that new Clergypersons must satisfy before becoming eligible for coverage in the Plan.

- Plan Sponsor **elects** that new Clergypersons must satisfy the following waiting period:
- 0 months (i.e., no waiting period)
 - 3 months
 - 6 months
 - 12 months

Note: Service that a Clergyperson accrues in a prior plan of the Plan Sponsor in the year preceding the Plan Sponsor's adoption of this Plan will be applied toward the waiting period that the Plan Sponsor elects under this Plan.

Part 2 – Retired Clergyperson Coverage

- Plan Sponsor **elects not** to provide life insurance coverage to retired Clergypersons.
- Plan Sponsor **elects** to provide life insurance coverage, under the terms of the Plan, to Clergypersons who are part-time local pastors and who have been recognized as retired local pastors in accordance with ¶1320 of *The Book of Discipline*.

Minimum Years of Coverage Requirement

A Clergyperson must have been covered in the Plan for at least five consecutive years to be eligible for coverage as a retired Clergyperson. Alternatively, if the Clergyperson has not been covered five consecutive years due to a break in coverage resulting from an uncovered leave of absence that lasted no longer than one year, the Clergyperson will be eligible for coverage as a retired Clergyperson if he or she has been serving at or employed by the Plan Sponsor (including the leave of absence) for at least five consecutive years.

Plan Sponsor may elect to require that Clergypersons serve or be covered in the Plan for additional years beyond the Plan's five-year minimum rule. If the Plan Sponsor wishes to make such an election, it should elect to do so below. Plan Sponsor has a duty to clearly notify its Clergypersons of this additional requirement.

Plan sponsor **elects** to require a Clergyperson to be covered in the Plan for:

- Plan sponsor **elects** to require a Clergyperson to be covered in the Plan for 10 consecutive years preceding retirement to be eligible for coverage as a retired Clergyperson (i.e., five years beyond the Plan's basic five-year requirement).
- Plan sponsor **elects** to require a Clergyperson to be covered in the Plan for 15 consecutive years preceding retirement to be eligible for coverage as a retired Clergyperson (i.e., 10 years beyond the Plan's basic five-year requirement).
- Plan sponsor **elects** to require a Clergyperson to be covered in the Plan for 20 consecutive years preceding retirement to be eligible for coverage as a retired Clergyperson (i.e., 15 years beyond the Plan's basic five-year requirement).

Note: Clergyperson's coverage in the Comprehensive Protection Plan (CPP) will be credited toward satisfying the Plan's five-year coverage requirement for retired Clergyperson eligibility.

Part 3 – Leaves of Absence

Clergypersons covered under the Plan who are appointed to family leave or medical leave in accordance with **The Book of Discipline** may be eligible to continue to be covered under the Plan, subject to the Plan terms, for up to 12 weeks from the beginning of such leave of absence, if the Plan Sponsor continues to pay the required premium for coverage of the Clergyperson. Clergypersons appointed to other approved leaves of absence, such as sabbatical leave or voluntary leave of absence, maybe 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 the Plan Sponsor continues to pay the required premium for coverage of the Clergyperson on the approved leave of absence.

- Plan Sponsor **elects not** to continue coverage for Clergypersons on the leaves of absence described in this Part 3.
- Plan Sponsor **elects** to continue coverage for Clergypersons on the leaves of absence described in this Part 3 for the applicable period of time that the Clergyperson is eligible to continue coverage on such leave of absence (i.e., 60 days or 12 weeks).

Note: A Clergyperson returning to work from a leave of absence from which the Clergyperson lost coverage will have coverage reinstated when he or she returns to active employment, so long as he or she returns to active employment within 12 months of the beginning of the leave. He or she will not have to satisfy a new waiting period.

Part 4 – Coverage Requirements

Plan Sponsor must cover all eligible Clergypersons that the Plan Sponsor has elected to make eligible under the terms of the Plan through this *Exhibit A*. Plan Sponsor hereby agrees to abide by this coverage requirement and to pay all required premiums for such coverage of eligible Clergypersons. Plan Sponsor is not required to pay premiums for Clergypersons not eligible under the terms of the Plan, Policies or this *Exhibit A*.

Plan Sponsor Adoption Agreement *Exhibit B*—Benefit and Coverage Options

This *Exhibit B* is incorporated by reference into and becomes a part of the adoption agreement entered into by and between plan sponsor and Wespath. This *Exhibit B* allows plan sponsor to make certain elections regarding types of coverage and coverage amounts and features under the Plan.

Plan sponsor elections in this *Exhibit B* apply to all Clergypersons made eligible by plan sponsor's elections in *Exhibit A*.

Part 1 – Long-Term Disability Income Protection Benefits

Plan sponsor must select one of the following choices related to long-term disability (LTD) coverage under the Plan:

- Plan sponsor **elects not** to provide LTD coverage to its Clergy through the Plan.
- Plan sponsor **elects** to provide LTD coverage to its Clergy through the Plan as specified below.

a. Monthly Disability Income

The Plan provides an LTD income replacement benefit equal to 60% of the disabled Clergyperson's predisability plan compensation.

b. Elimination Period

The elimination period is the amount of time that must elapse after the date of an Clergyperson's disability, before LTD benefits begin. Plan sponsor must select one of the following options.

- Plan sponsor **elects** a 90-day elimination period for all LTD claims.
- Plan sponsor **elects** a 180-day elimination period for all LTD claims.

c. Mental Illness

Plan sponsor can choose a plan with a limit on disability benefits in cases where the primary basis for the disability benefits is mental illness.

Default: *If no option is selected, assumes 24-month lifetime limit on mental-nervous disabilities.*

- Plan sponsor **elects** plan with 24-month lifetime limitation on mental illness disability benefits.
- Plan sponsor **elects** plan with unlimited mental illness disability benefits (22% increase in premium).

d. Retirement Plan Contributions

The Plan will make a contribution to a disabled Clergyperson's account in the United Methodist Personal Investment Plan (UMPIP) or defined contribution account in the Retirement Plan for General Agencies (RPGA) [or, in the case of Clergypersons covered in this plan, the defined contribution account in the Clergy Retirement Security Program (CRSP)], as applicable, if plan sponsor was making contributions (non-matching, matching or conditional) to the Clergyperson's UMPIP, RPGA or CRSP account for at least three months before the date of disability. The contribution will be equal to the contribution plan sponsor was making to UMPIP, RPGA or CRSP on behalf of the Clergy before the date of disability, but the contribution shall not exceed 3% of predisability compensation.

Part 2 – Life Insurance Coverage Options

a. Active Clergy Coverage

Plan sponsor must select one of the following choices related to life insurance coverage for active Clergypersons under the Plan:

- Plan sponsor **elects not** to provide life insurance coverage to its Clergypersons through the Plan.
- Plan sponsor **elects** to provide life insurance coverage to its actively-employed Clergypersons through the Plan as specified below.

Plan sponsor may elect to provide flat-dollar coverage to Clergypersons or percentage of compensation coverage to Clergypersons, but may not elect to provide both types of coverage. (See page 8.)

Please select one amount from Column 1 or 2:

1. Flat-dollar Amount Options <input type="checkbox"/> \$10,000 <input type="checkbox"/> \$25,000 <input type="checkbox"/> \$50,000 <input type="checkbox"/> \$75,000 <input type="checkbox"/> \$100,000 <input type="checkbox"/> \$125,000 <input type="checkbox"/> \$150,000 <input type="checkbox"/> \$175,000 <input type="checkbox"/> \$200,000 <input type="checkbox"/> \$250,000	2. Percentage of Compensation Options <input type="checkbox"/> 100% (rounded to the nearest \$1,000; up to \$250,000) <input type="checkbox"/> 150% (rounded to the nearest \$1,000; up to \$250,000) <input type="checkbox"/> 200% (rounded to the nearest \$1,000; up to \$250,000) <input type="checkbox"/> 250% (rounded to the nearest \$1,000; up to \$250,000) <input type="checkbox"/> 300% (rounded to the nearest \$1,000; up to \$250,000)
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3. Accidental Death and Dismemberment (AD&D) Benefit.

The AD&D benefit provides up to an additional 100% of the face value of life insurance coverage for active Clergypersons who suffer accidental death or dismemberment.

If plan sponsor provides life insurance coverage, it must select one of the following choices related to the AD&D benefit under the Plan:

- Plan sponsor **elects not** to provide AD&D benefits through the Plan to its covered Clergypersons
- Plan sponsor **elects** to provide AD&D benefits through the Plan to its covered Clergypersons

b. Spouse Coverage

If plan sponsor provides life insurance coverage, it must select one of the following choices related to the spouse coverage under the Plan:

- Plan sponsor **elects not** to provide life insurance coverage to the legal spouse of any covered Clergyperson through the Plan.
- Plan sponsor **elects** to provide life insurance coverage through the Plan to the legal spouse of any covered Clergyperson as specified below.

Flat-Dollar Amount Options (select one):

- \$5,000
- \$10,000
- \$15,000
- \$20,000
- \$25,000
- \$30,000
- \$35,000
- \$40,000
- \$45,000
- \$50,000

The coverage for any spouse may not exceed the amount of coverage of the Clergyperson through whom the spouse is covered.

The Plan prohibits an individual from being covered as both participant and a spouse within the same policy (i.e., lay and Clergy split couple cannot claim each other if they are covered under the Clergy LTD and Life Insurance Plan and Clergy Supplemental Life Insurance Plan).

c. Dependent Child Coverage

If plan sponsor provides life insurance coverage, it must select one of the following choices related to dependent child coverage under the plan:

- Plan sponsor **elects not** to provide life insurance coverage to dependent children of its Clergypersons through the Plan.
- Plan sponsor **elects** to provide life insurance coverage through the Plan to the dependent children of its covered, active Clergypersons as specified below.

Flat-Dollar Amount Options (select one):

- \$2,000
- \$3,000
- \$4,000
- \$5,000
- \$6,000
- \$7,000
- \$8,000
- \$9,000
- \$10,000

A dependent child cannot be covered by more than one Clergyperson.

d. Retired Clergy Coverage

Plan sponsor may select one of the following choices related to life insurance coverage of retired Employees under the Plan only if plan sponsor has elected to provide life insurance coverage to active Clergypersons in Part 2, Section a, above:

- Plan sponsor **elects not** to provide life insurance coverage to its retired Clergypersons through the Plan.
- Plan sponsor **elects** to provide life insurance coverage specified below through the Plan to its retired Clergypersons who have retired in accordance with plan sponsor's retirement policy, as indicated in *Exhibit A*, and are eligible as retired Clergypersons under the rules of the Plan.

Flat-Dollar Amounts (select one):

- \$5,000
- \$10,000
- \$15,000
- \$20,000
- \$25,000
- \$30,000
- \$35,000
- \$40,000
- \$45,000
- \$50,000

The spouse and dependent children of a covered retired Clergyperson cannot be covered under the Plan.