

**Attachment to the Addendum to Adoption Agreement:
Discretionary Contribution Election For
United Methodist Personal Investment Plan (the “UMPIP”)
Revised Effective January 1, 2023**

Background

This Addendum to the UMPIP Adoption Agreements of the North Carolina Conference (for clergy and conference lay employees) (the “Addendum”) has been made in order to incorporate a Discretionary Contribution that takes the place of benefits provided by the former Ministers’ Transition Fund (the “MTF”). The MTF was a separate retirement plan established effective November 20, 1937, to assist ministers with the transition from the active relationship, in which a furnished parsonage had usually been provided, to the retired relationship, in which ministers provided their own housing. A fund was established (the “Fund”), and remains to date, which provides the source of contributions to individual participant accounts under the MTF. Upon February 1, 2020, the effective date of this Addendum, the MTF is terminated and all assets allocated to participant accounts in MTF are to be transferred to Participant Contribution Accounts and Plan Sponsor Contribution Accounts of Participants in the UMPIP, as applicable. The Fund will remain and provide funding for the Discretionary Contributions set forth in this Addendum.

Unless otherwise stated, each capitalized term used in this Addendum that is not defined herein has the meaning ascribed to such term in the UMPIP.

Part 2—Eligibility

A. General Rule

Conference members and Conference office lay employees of the North Carolina Annual Conference (Plan Sponsor or Conference) are eligible to receive a Discretionary Contribution described in the following section if such individuals are:

(i) either “Eligible Clergy” or “Eligible Lay Employees” (referred to collectively as “Eligible Individuals”); and

(ii) have satisfied the “Participant Contributions Requirement”,

as the capitalized terms are defined in this Addendum.

B. Eligible Individuals

(i) The term “**Eligible Clergy**” includes: Clergy appointed in the North Carolina Annual Conference who are Full-Time or serving on a 75% or 50% appointment time basis, including Associate Members, Elders or Deacons in Full Connection, Provisional Members, or Local Pastors, who are serving in a Local Church or as a district superintendent, a Conference ministerial staff person, or others who are appointed to serve at a North Carolina Annual Conference Institution (which includes The United Methodist Retirement Homes, Inc., Methodist Home for Children, Inc., Louisburg College, Methodist University, North Carolina Wesleyan College, United Methodist Foundation, Inc., North Carolina United Methodist

Camp & Retreat Ministries, Inc., Asbury Homes, and other institutions which may be added to the list from time to time by the North Carolina Annual Conference) or other episcopal appointment of the North Carolina Annual Conference.

(ii) The term “**Eligible Lay Employees**” includes: those employees of the North Carolina Annual Conference who are participating in the UMPIP as sponsored by the North Carolina Annual Conference.

(iii) The term “**Eligible Individuals**” includes such individuals who satisfy the criteria above, as well as those individuals who satisfy the criteria above but have been placed on Comprehensive Protection Plan (CPP) Disability.

Individuals who receive a distribution of either any Discretionary Contribution made pursuant to this Addendum or any assets transferred from the MTF, for example, due to Disability, Termination or Retirement, will cease to be an Eligible Individual.

C. Participant Contributions Requirement

The “**Participant Contributions Requirement**” is satisfied if an Eligible Individual:

(i) Has contributed for a cumulative period of five years the participant contribution required under the terms of the MTF before its termination, or at least 1% of their Plan Compensation to UMPIP as Transition Fund Participant Contributions, on and after February 1, 2020; and

(ii) Are currently contributing at least 1% of their Plan Compensation to UMPIP as Transition Fund Participant Contributions.

Part 3—Discretionary Contributions

A. General

For each Plan Year during which Eligible Individuals satisfy the Participant Contributions Requirement, such Eligible Individuals shall receive a Discretionary Contribution from the Fund, the amount of which will be determined by the Plan Sponsor. Discretionary Contributions will be 100% vested when contributed to the UMPIP.

B. Plan Sponsor Obligations to Administrator

At the end of each Plan Year, the Plan Sponsor will report to the Administrator all Eligible Individuals who are to receive a Discretionary Contribution and the amount of such Discretionary Contribution for each recipient. The Plan Sponsor will also report to the Administrator on an annual basis any After-Tax Contributions that Eligible Clergy have made directly to the Plan Sponsor via personal check. The Administrator will fund the After-Tax Contributions for these Eligible Clergy by deducting the amounts from the Plan Sponsor’s deposit account.