

**Lay Long-Term Disability and Life Insurance Plan
Plan Sponsor Adoption Agreement
*Exhibit B***

Clergyperson Eligibility Elections for Conferences

This *Exhibit B* is incorporated by reference into and becomes a part of the Adoption Agreement entered into by and between Plan Sponsor and the General Board. *Exhibit B* is intended for Plan Sponsors that are Conferences that sponsor the Comprehensive Protection Plan (CPP) for Clergypersons. *Exhibit B* allows Plan Sponsor to elect to cover certain Clergypersons as Employees under the Plan if those Clergypersons are not eligible for coverage in CPP.

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

Part I – Active Clergyperson Employee Coverage

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

☐ Plan Sponsor, that is a Conference, **elects** to cover certain Clergypersons, who are not eligible for coverage in CPP and who are appointed to one of the following entities, in the Lay LTD and Life Insurance Plan:

- Local church or pastoral charge located in the Conference
- A Conference-responsible unit (as provided in ¶344.1(a)(1) of *The Book of Discipline*) located within the Conference
- The Conference
- A Conference-controlled entity approved by the Conference

Please indicate below which categories of Clergypersons appointed to service described above that the Plan Sponsor elects to cover in the Plan.

☐ Plan Sponsor **elects** to cover local pastors under Episcopal appointment who are appointed to less than a full-time appointment.

☐ Plan Sponsor **elects** to cover members of other denominations under Episcopal appointment who are appointed to less than a full-time appointment.

Unless a Clergyperson is explicitly covered through this *Exhibit B* in an applicable category elected above by Plan Sponsor, or he or she is covered by operation of the Plan through *Exhibit A*, he or she is ***not eligible*** for coverage in the Plan.

A Clergyperson described in one of the categories elected above who is eligible for coverage in CPP, even if he or she (i) was made ineligible because his or her Plan Sponsor did not elect to make special arrangements for coverage of his or her category of

clergy, or (ii) has declined or waived CPP coverage through an optional special arrangement, is not eligible for coverage in this Plan.

Part II – Eligibility Requirements for Active Clergyperson Employees

A. Minimum Requirement: Hours of Service

Employees must work at least 1,040 hours in a Plan Year (approximately 20 hours a week) to be eligible for coverage under the Plan. A Clergyperson covered under the Plan is deemed to work at least 1,040 hours in a Plan Year if his or her appointment is $\frac{1}{2}$ time or greater.

If Plan Sponsor wishes to require that Clergypersons be regularly scheduled for more than 1,040 hours in a Plan Year to be eligible for coverage, please select one of the following:

☐ Plan Sponsor **elects** to require that Clergypersons must be appointed to at least a $\frac{3}{4}$ time appointment to be eligible for coverage in the Plan.

B. Minimum Requirement: Age

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

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

☐ Plan Sponsor **elects** to require that Clergypersons attain an age greater than 15; Plan Sponsor requires its Clergypersons be at least:

☐ 18 years old to be eligible for coverage in the Plan.

☐ 21 years old 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:

☐ a zero (0) month waiting period, i.e., no waiting period.

☐ a three (3) month waiting period.

☐ a six (6) month waiting period.

☐ a twelve (12) month waiting period.

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

Part III – Retired Clergy person Coverage

☐ Plan Sponsor **elects not** to provide life insurance coverage to retired Clergy person Employees.

☐ Plan Sponsor **elects** to provide life insurance coverage, under the terms of the Plan, to Clergy persons who are local pastors and who have been recognized as retired local pastors in accordance with ¶320 of *The Book of Discipline*.

Minimum Requirement: Years of Coverage

A Clergy person Employee must have been covered in the Plan for at least five (5) consecutive years to be eligible for coverage as a Retired Employee. Alternatively, if the Clergy person has not been covered five continuous years due to a break in coverage resulting from an uncovered leave of absence that lasted no longer than one year, the Clergy person will be eligible for coverage as a Retired Employee 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 Clergy persons serve or be covered in the Plan for additional years beyond the Plan's 5 year minimum rule. If Plan Sponsor wishes to make such an election, it should elect to do so below. Plan Sponsor has a duty to clearly notify its Clergy persons of this additional requirement.

☐ Plan Sponsor **elects** to require Clergy persons to be covered in the Plan 10 consecutive years preceding retirement to be eligible for coverage as a Retired Employee, i.e., 5 years beyond the Plan's basic 5-year requirement.

☐ Plan Sponsor **elects** to require Clergy persons to be covered in the Plan 15 consecutive years preceding retirement to be eligible for coverage as a Retired Employee, i.e., 10 years beyond the Plan's basic 5-year requirement.

☐ Plan Sponsor **elects** to require Clergy persons to be covered in the Plan 20 consecutive years preceding retirement to be eligible for coverage as a Retired Employee, i.e., 15 years beyond the Plan's basic 5-year requirement.

Note: New Plan Sponsors: A Clergy person's service/coverage under the prior life insurance plan of a new Plan Sponsor will be credited toward satisfying the Plan's five-year coverage requirement for Retired Employee eligibility (or toward the Plan Sponsor's longer elected service requirement), provided that such Clergy person had coverage under the prior plan as of the effective date of the Adoption Agreement.

Part IV – Leaves of Absence

Clergypersons covered in the Plan who are appointed to family leave, maternity/paternity leave, or incapacity leave under ¶355, ¶356 or ¶358 of *The Book of Discipline*, may be eligible to continue to be covered in 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 ¶350, voluntary leave of absence ¶352.1a, or involuntary leave of absence ¶352.1b may be 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 IV.
- ☐ Plan Sponsor **elects** to continue coverage for Clergypersons on the leaves of absence described in this Part IV 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 a result of 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 V – Coverage Requirements

Plan Sponsor must cover all eligible Clergypersons that Plan Sponsor has ***elected*** to make eligible under the terms of the Plan through this *Exhibit B*. 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, Policy or this *Exhibit B*.