



District Minister Matching Contributions Nazarene 403(b) Retirement Savings Plan Policy Statement

Purpose and Stewardship Commitment

Nazarene Benefits, Inc. (“NBUSA”) exists to support the long-term financial well-being of clergy who faithfully serve the Church of the Nazarene in the United States. The Minister Matching Program (the “Program”) reflects our shared commitment to stewardship, sustainability in ministry, and care for those called to serve in ministry. This policy establishes eligibility and NBUSA matching provisions applicable to District Ministers.

Plan Structure and Funding

The Program is part of the Nazarene 403(b) Retirement Savings Plan (the “Plan”), and is funded from the 2% NBUSA Fund portion of the 10% Funding the Mission Formula contributions made by the local churches of the district. Participating churches and districts execute written consent to be a co-sponsoring employer and ministers execute authorization to make payroll deferrals. In keeping with the responsibilities of the Church as detailed in the Manual of the Church of the Nazarene, districts are strongly encouraged to provide discretionary employer contributions independent of NBUSA matching contributions.

NBUSA Fund - Church Participation Requirement

A District Assigned Minister’s eligibility for NBUSA matching contributions depends upon the employing district’s aggregate support of its annual budget allocation to the NBUSA Fund. For a District Assigned Minister to qualify, the district’s aggregate support must exceed least 85% of its NBUSA budget allocation. Eligibility is determined annually on January 1 and remains in effect for that calendar year. The NBUSA matching retirement contribution percentage is based on the higher of the most recently completed church fiscal year or the average of the prior five years.

NBUSA Match Formula

The applicable match percentage is determined by the district’s level of NBUSA Fund Support. That percentage is then applied to the total Local Effort Contributions (combined contributions of the district assigned minister and/or the district), subject to the following schedule:

NBUSA Fund Support %	NBUSA Base \$	NBUSA Match %	Annual Max Match
100%	\$1,000	50%	\$1,500
95%	\$1,000	40%	\$1,200
90%	\$1,000	30%	\$900
85%	\$1,000	20%	\$600
<85%	\$1,000	n/a	n/a

No match is available if church NBUSA Fund support is below 50%.

Local Effort Contributions

“Local Effort Contributions” include the total contributions by the district assigned minister (through payroll deferrals); plus contributions by the district directly to the minister’s 403b account; plus the amount of principal and interest payments made by the minister on student loans for their education.

Minister Eligibility Requirements

To qualify for the NBUSA match, a district assigned minister must be ordained or hold a district license (local licenses do not qualify); be employed by a participating district; and demonstrate qualifying Local Effort Contributions. District Superintendents qualify by virtue of position, regardless of full/part-time status or secondary employment. District assigned ministers must average at least 30 hours per week, serve at least 30 weeks per year, and their ministerial compensation from this role equals at least 50% of their annual gross income.

Vesting and Distribution

Employer contributions (NBUSA and district contributions) are immediately vested. However, employer contribution amounts may not be distributed before age 62, except as permitted under the Plan document and applicable law.

Authority

All benefits are subject to the governing Plan document and IRS regulations. In the event of conflict, the Plan document controls. NBUSA retains administrative authority consistent with fiduciary responsibility and program sustainability.