Benefits Board
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FEE100

SURRENDER FEE CHARGES WITHIN THE MINISTERS' RETIREMENT PLAN

The Ministers' Retirement Plan provides for one of two small surrender charges to be applied in the event of an early withdrawal, rollover, transfer, loan default, or hardship withdrawal from the MRP. The following is a brief explanation of those charges.

Primary Surrender Fee: The primary surrender fee is based upon how long the participant has been in the Plan. The assessment is to recover the costs of liquidating the participant's investments and the associated costs of cashing out a participant's account or a portion thereof, whether the participant is invested in the equity accounts or the Trustees' Fund. The primary surrender charge was instituted early in the life of the MRP when the administration of the Plan was directed by the Executive Council of the Church. The declining surrender charge scale is as follows:

Year	Primary Surrender Charge
1	6%
2	5%
3-5	4%
6-7	3%
8-10	2%
10 or later	1%

The primary surrender fee does not apply to withdrawals or rollovers that occur after the participant turns 59½ years of age, regardless of how long he or she has been a participant.

Secondary Surrender Fee: The secondary surrender fee is based upon a market-based adjustment. Obviously all withdrawals, transfers, redemptions, etc. from the different equity (stock) funds are based upon market-based valuation on the day of the transaction. However, in addition, if a participant takes a partial or total withdrawal (including, but not limited to, rollovers, transfers, loan defaults, and hardship withdrawals) in the amount of $5,000 or more in any one year from the participant's Trustees' Fund account, the Benefits Board will make a market-based adjustment in valuing the participant's account based upon the differential between the market value of the total assets held within the Trustees' Fund and the cost value of those assets, subject to adjustments for depreciation, etc. of fixed assets. This secondary surrender fee, or market-based adjustment fee, was instituted because theoretically assets within the Trustees' Fund must be sold (just as they are in the equity funds) to finance the partial or total liquidation of a participant's account in the Trustees' Fund.

The market-based adjustment for participants within the Trustees' Fund only applies to those participants who take a distribution in the amount of $5,000 or more in any one year for any purpose, exclusive of a member loan. All other participants, including those who are amortized to draw on a regular basis, are not impacted by this market-based adjustment provision.

Application of the Surrender Fees: The market-based adjustment surrender fee will work in conjunction with the primary surrender fee discussed above, with the greater of the two fees applying. As noted, the primary surrender fee is based upon longevity of the holdings while the market-based surrender fee is based on movement in the valuation of the assets. The primary surrender fee will continue to apply to all distributions, including those under $5,000, while the market-based adjustment surrender fee will only potentially apply to those distributions in excess of $5,000 annually from the Trustees' Fund.

In preparing for a distribution, both surrender fees will be calculated by the staff of the Benefits Board, with the higher of the two fees being assessed against the distribution. However, only the higher fee will be charged and the other will be waived.

It must be remembered that the market-based adjustment surrender fee **only** applies to those participants who take a distribution from the Trustees' Fund in the amount of $5,000 or more in any one year for any purpose, exclusive of a member loan. All other participants, including those who are amortized to draw regularly regardless of the amount, are **not** impacted by the market-based adjustment surrender fee.