

**RETIREMENT ALLOWANCE PROVIDED
BY EMPLOYER (Z40, X45 12)**

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Employees who have earned at least 1,000 hours or the equivalent of one-half year of service credit during each of the two years immediately preceding his/her admission to the Plan and go directly from active service into retirement shall be granted a retirement allowance by the Retirement Plan. Employees who qualify for retirement benefits shall be granted the retirement allowance even though their spouse elects the spouse allowance. The retirement allowance is not termination pay but is a retirement benefit provided as the time the participant is eligible for retirement benefits according to the following provisions:

1. **Amount** – The maximum allowance shall be equivalent to five months (865 hours) remuneration (including wages and cost of living adjustment, but not including travel allowance) for employees with 40 years of service credit prior to January 1, 2000. For those with less than 40 years the allowance is equivalent to 12.5 percent of a month's remuneration for each year of service credit prior to January 1, 2000. (See Y 46 12 for retirement allowance based on denominational employment after December 31, 1999.) Prior receipt of a Termination Settlement (See Y36) shall not jeopardize or reduce the Retirement Allowance payable after December 31, 2004. In the case of part time employment immediately prior to retirement eligibility, the Retirement Allowance is calculated at the employee's current remuneration percentage or rate based upon full time-service.
2. **Disbursement** – The retirement allowance under the **defined benefit** plan is disbursed by the General Conference Retirement Plan in a lump sum at the time retirement benefits begin, and upon the request of the participant, may be rolled into a qualifying IRA or other vehicle. The allowance earned under the **defined contribution** plan is paid by the employer directly to the employee.
3. **Credit** – The retirement allowance does not entitle a participant to any additional service credit.
4. **Disability** - Receipt of disability benefits from the Employee Disability Income Plan (see NAD Y 33) shall not jeopardize or reduce a Retirement Allowance payable after December 31, 2004.