

# Concordia Disability and Survivor Plan

Plan Document for Disability Income and Pre-Retirement Death Benefits

January 1, 2018 Restatement  
Incorporating the following amendments:

First Amendment	Effective 7/1/2018
Second Amendment	Effective 1/1/2019
Third Amendment	Effective 1/1/2019
Fourth Amendment	Effective 1/1/2021

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# CONCORDIA DISABILITY AND SURVIVOR PLAN

## For Workers of The Lutheran Church—Missouri Synod Its Member Congregations, Controlled Organizations and Affiliated Agencies

The Lutheran Church—Missouri Synod (“Synod”) has established a disability and survivor income plan, designated as the “Concordia Disability and Survivor Plan,” for the Workers of the Synod and its Controlled Organizations and has made the provisions of said Plan available to its Member Congregations and to other Affiliated Agencies hereinafter described. The Plan has been amended and restated from time to time and this document embodies the Plan as amended and restated effective January 1, 2018.

### PURPOSE OF THE PLAN

The purpose of the Plan is to provide benefits to disabled Members and to the survivors of Members whose income is interrupted by death.

### SECTION I

#### DEFINITIONS

For the purposes of this Plan, the following words and phrases, and words and phrases defined elsewhere in this document, whether or not capitalized, shall have the respective meanings provided unless different meanings are plainly indicated by the context:

1.1. “Affiliated Agency” shall mean any of the following:

- a) an organization controlled, within the meaning of section 414(e) of the Code, by Member Congregations,
- b) any Lutheran organization recognized by the Synod, including auxiliaries and recognized service organizations, and
- c) any other organization associated with the Synod, or with one or more Member Congregations, within the meaning of section 414(e)(3)(D) of the Code.

1.2. “Board of Trustees” shall mean the board appointed to administer the Plan, as provided in SECTION X.

1.3. “Child” shall mean a Member’s biological child, legally adopted child, stepchild, and foster child, but does not include a Child who has been adopted by someone other than the Member or the Member’s Spouse. The term “foster child” shall mean (a) a child who has been placed in a Member’s home for adoption by a recognized adoption agency or a court, and (b) a child who is placed with the Member by judgment, decree, or other order of any court of competent jurisdiction.

1.4. “Code” shall mean the U.S. Internal Revenue Code of 1986, and any successor or replacement thereof. All citations in this Plan to sections of the Code are to such sections as they may from time to time be amended or renumbered.

1.5. “Compensation” of a Member shall mean the basic wage or salary paid by the Employer for personal services rendered, plus

- a) cash utility allowance, if any,
- b) cash housing allowance, if any, and
- c) the monetary value of housing furnished by the Employer as the Worker’s primary residence, which shall be deemed to be twenty-five percent (25%) of the basic wage or salary,

but shall not include any bonuses, car allowances, cash allowances (except as specifically set forth above), or other forms of remuneration. With the approval of Concordia Plan Services, an Employer may, for all purposes of the Plan, with respect to Members residing outside the nation in which such Employer maintains its principal office, report the Compensation of such Member as being the amount which such Member would receive if employed by such Employer in the nation in which the Employer maintains its principal place of business in the same capacity in which the Member is so employed outside such nation.

Effective January 1, 2005, and thereafter, Compensation shall not exceed the amount permitted under Section 401(a)(17) of the U.S. Internal Revenue Code (the “Code”), as periodically adjusted.

1.6. “Concordia Health Plan” shall mean the Concordia Health Plan for Workers of The Lutheran Church—Missouri Synod, its Member Congregations, Controlled Organizations, and Affiliated Agencies, as the same may be amended from time to time.

1.7. “Concordia Retirement Plan” shall mean the Concordia Retirement Plan for Workers of The Lutheran Church—Missouri Synod, its Member Congregations, Controlled Organizations, and Affiliated Agencies, as the same may be amended from time to time.

1.8. “Controlled Organization” shall mean an organization, agency, or subdivision of the Synod (whether or not separately incorporated) which is under the control and supervision of the Synod, including, but not limited to, the districts of the Synod, the seminaries and colleges operated by the Synod, Concordia Publishing House, The Lutheran Church—Missouri Synod Foundation, Lutheran Church Extension Fund—Missouri Synod, Concordia Plan Services, and the Concordia Historical Institute. Determination of the status of any organization as a “controlled organization” shall be made by the Board of Directors of the Synod.

1.9. “Dependent” shall have the meaning set forth in Subsection 3.1.

1.10. “Effective Date of the Plan” shall be:

- a) in the case of the Synod and its Controlled Organizations, July 1, 1969,
- b) in the case of a Member Congregation, July 1, 1969, if prior to said date it has become an Employer under the Concordia Retirement Plan, and, if not, the first day of any subsequent calendar month following the date as of which the Member Congregation adopts the Plan and specified by the congregation, or

- c) in the case of an Affiliated Agency, July 1, 1969, if prior to said date it has become an Employer under the Concordia Retirement Plan, and, if not, the first day of a calendar month after such agency shall have adopted the Plan, as shall be determined by Concordia Plan Services in each instance.
- 1.11. “Employer” or “Employers” shall mean any of the following:
- a) the Synod,
  - b) a Controlled Organization,
  - c) a Member Congregation that has adopted the Plan,
  - d) an Affiliated Agency that has adopted the Plan, or
  - e) a Rostered minister described in section 414(e)(5)(A)(i) of the Code and who is not employed by an Employer described above or by an organization that has satisfied the requirements of Subsection 2.9, but only if such minister’s participation as an Employer is approved by Concordia Plan Services. Such individual shall be treated as his or her own employer or as employed by the minister’s employer that is an organization described in section 501(c)(3) of the Code and exempt from tax under Section 501(a) of the Code.
- 1.12. “Enrolled Dependent” shall have the meaning set forth in Subsection 3.2.
- 1.13. “Herein”, “Hereunder”, and other compounds of the word “here” shall refer to the entire Plan unless the context in which used shall indicate that the reference is restricted to a particular Section or Subsection of the Plan.
- 1.14. “Hospital or Institution” shall mean a facility licensed to provide inpatient care and treatment for a member’s disabling condition.
- 1.15. “Insurer” shall mean the insurance company through which the death benefits under SECTION V may be partially or fully insured at any time.
- 1.16. “Medicare” shall mean Title XVIII of the Social Security Act: Health Insurance for the Aged and Disabled, enacted in 1965, which appears in the United States Code as Sections 1395-1395ccc, Subchapter XVIII, Chapter 7, Title 42, as may be amended from time to time.
- 1.17. “Member” shall mean a Worker or other person included in the Plan as provided in SECTION II and whose membership has not terminated pursuant to any provisions of the Plan.
- 1.18. “Member Congregation” of the Synod shall mean an individual congregation which has applied for and been received into membership in the Synod pursuant to the provisions of the Bylaws of the Synod.
- 1.19. “Mental Illness” shall mean a psychiatric or psychological condition as generally recognized by the American Psychiatric Association or the American Medical Association, such as, but not limited to emotional, behavioral, or personality disorders; psychosis; schizophrenia; depression (major or minor, and acute or remitting); manic depression; bipolar disorders; anxiety and/or adjustment disorders; and



conditions related to stress. These conditions are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods of treatment.

- 1.20. "Normal Retirement Date" shall mean the later of the date on which the Member
- a) attains the member's Normal Retirement Age as that term is defined in the Concordia Retirement Plan, or
  - b) completes five (5) years of Creditable Service in the Concordia Retirement Plan as that term is defined in the Concordia Retirement Plan.

- 1.21. "Pre-existing Condition" shall mean a condition for which a Member:
- a) received medical treatment, consultation, care, or services including diagnostic measures;
  - b) took prescription medications or had medications prescribed; or
  - c) had symptoms that would cause a reasonable person to seek diagnosis, care, or treatment

in the three (3) months prior to the Member's plan enrollment date. Determination of whether a Pre-existing Condition exists shall be made by the agency appointed by Concordia Plan Services to determine eligibility for disability benefits.

1.22. "Retired Member" shall mean a person who is either receiving or has become eligible to receive a retirement benefit in accordance with the provisions of the Concordia Retirement Plan and who is no longer a Worker. Effective January 1, 2006, a Member cannot be a Worker enrolled in the Concordia Health Plan, Concordia Retirement Plan, or Concordia Disability and Survivor Plan while at the same time a Retired Member enrolled in the Concordia Health Plan, Concordia Retirement Plan, or Concordia Disability and Survivor Plan. However, any Member in such a dual classification as of December 31, 2005, may continue in such a classification as long as there are no breaks in service or membership.

1.23. "Rostered" shall mean on the official roster of ordained and commissioned ministers of the Synod.

1.24. "Self-reported or Subjective-symptom Condition" shall mean a condition which, when reported by the Member or the Member's physician, cannot be independently verified and measured using generally accepted, standard medical testing, procedures, and practices, such as, but not limited to, headaches, dizziness, fatigue, unspecified memory loss, loss of energy, pain (chronic or acute), trauma, and common aches.

1.25. "Social Security Disability Benefits" shall mean, except as provided in Section 4.2(g), the actual amount of monthly benefits payable to the Member from Social Security, including dependent benefits, because of the Member's disability.

1.26. "Spouse" shall mean the person of the opposite sex to whom a Member is legally married, at the time the determination of Spouse is being made.

1.27. "State-Mandated Benefits" of a Member shall mean all benefits paid pursuant to any workers' compensation act, occupational disease act, compulsory disability benefit law, family leave law, or any similar law on account of a Member's death or disability.

1.28. “Substance Abuse” shall mean the continued use of alcohol, drugs, medicines, or any chemical compound, whether or not prescribed by a physician, which is characterized by any of the following: severe impairments in social and/or occupational functioning; severely debilitating physical condition; diminution in cognitive functioning or reasoning; inability to abstain from or reduce consumption of a substance; or the need for continuing use of a substance in order to function.

1.29. “Synod” shall mean The Lutheran Church—Missouri Synod.

1.30. “The Plan” shall mean the Concordia Disability and Survivor Plan, as Herein set forth, and as the same may be amended from time to time.

1.31. The singular shall include the plural, except as otherwise indicated by the context in which used.

1.32. “Trust” shall mean the Trust as Herein provided, and all amendments hereto.

1.33. “Worker” shall mean an individual who receives Compensation (wages or salary or their equivalent) for personal services in a position the duties of which ordinarily require regular, full-time employment and who is:

- a) regularly employed by an Employer described in Subsection 1.11 a) through d), or
- b) a duly ordained, commissioned, or licensed minister who is employed (other than by an Employer described in Subsection 1.11 a) through d)) by an organization, whether or not incorporated, which is exempt from federal income tax under Section 501 of the Code and controlled by or associated with the Synod by virtue of its designated status as a recognized service organization; provided however, that any such organization also must satisfy specific criteria promulgated from time to time by Concordia Plan Services, or
- c) a Rostered minister who is described in Subsection 1.11 e).

However, such term shall not include

- i) a person employed on a temporary, probationary, or part-time basis (for all purposes of this Plan, persons whose customary employment is for twenty [20] hours or less a week, and persons whose customary employment is for five [5] consecutive months or less, shall be deemed to be part-time and temporary employees, respectively),
- ii) a person who is considered a “leased employee” (a “leased employee” is a person who performs services for, but is not employed by, an Employer pursuant to an agreement between such Employer and a leasing organization where such services are performed under the primary direction or control of the Employer),
- iii) a person (other than a Rostered minister described in section 414(e)(5)(A)(i) of the Code) who is engaged as an independent contractor pursuant to a contract or agreement between an Employer and such person which designates such person as an independent contractor (even if such person is retroactively held or found to be a “common law employee”), or
- iv) a person who is considered “adjunct faculty” by his or her Employer.

Notwithstanding the foregoing, special rules and guidelines may be established in separate administrative policies and/or procedures by the Board of Trustees or Concordia Plan Services regarding the eligibility, enrollment, benefits, and other Plan provisions for persons in the following classifications: (a) missionaries and international educators serving through the Synod's Office of International Mission; (b) military chaplains serving through the Synod's Ministry to the Armed Forces of the Synod's Office of International Mission; (c) Laborers for Christ serving through the Lutheran Church Extension Fund - Missouri Synod; (d) Workers serving at the Synod's Hong Kong International School, Concordia Lutheran School Shanghai, and Concordia International School Hanoi, (e) Intentional Interim Pastors, and (f) persons concurrently performing services for more than one organization (one of which is an Employer) for wages or salary or their equivalent and who are not excluded from the definition of Worker under subparagraphs i) through v) of this Subsection 1.33, with such persons to be eligible for enrollment in the Plan only if such eligibility does not knowingly violate any policies of the Synod or any applicable requirements of section 501(c)(9) of the Code.

## SECTION II

### MEMBERSHIP

2.1. Eligibility determination and enrollment. The Employer shall, in accordance with the provisions hereof, initially determine whether an employee meets the definition of a “Worker” and shall promptly inform Concordia Plan Services of such Worker's eligibility by promptly submitting completed enrollment forms and all requested data, following receipt of the relevant information concerning such Worker and Dependents, although each Worker is responsible for accurate, thorough, and proper completion of the forms. Concordia Plan Services may, on its own motion, reexamine the Employer's determination and if an Employer shall exclude any employee, such employee may appeal in writing to Concordia Plan Services. The decision of Concordia Plan Services concerning an employee's eligibility as a Worker shall be binding and conclusive. If the determination as to eligibility of any such persons is subsequently reversed by a governmental body or arbitrator, such reversal shall only have prospective effect, from the time of the reversal.

2.2. Workers on Employer's effective date. Every Worker on the Effective Date of the Plan which is applicable to such Worker's Employer shall become a Member on such date.

2.3. Newly employed Workers. Each new Worker employed by an Employer after the Effective Date of the Plan which is applicable to that Employer shall become a Member on the first day of the calendar month coinciding with or next following (as determined by the Employer) the date on which the individual first meets the definition of a Worker.

2.4. Special rules for assigned Workers. At the discretion of the Employer to which such person is assigned, a person assigned as a Worker to an Employer by the Council of Presidents of the Synod (acting as the Board of Assignments) may become a Member as of the first day of any calendar month following the date upon which the Council of Presidents made the assignment, as long as all academic requirements for graduation have been completed by that date; provided, however, that such enrollment shall be no later than the first day of the month coinciding with or next following the date of employment as stipulated in Subsection 2.3.

2.5. Newly qualified Workers. Each person previously in the employ of an Employer, but who has not met the requirements for being a Worker, and who thereafter meets such requirements shall be deemed to be newly employed and shall become a Member pursuant to Subsection 2.3.

2.6. Late enrollment. A Worker who makes the required application for membership more than sixty (60) days after such Worker's first date of eligibility shall be enrolled in the Plan effective the first day of the calendar month coinciding with or next following the date of receipt by Concordia Plan Services of properly completed enrollment materials.

2.7. Transfer of employment between Employers. A Member who ceases to be employed by one Employer and who, within three (3) calendar months, is employed by another Employer shall be deemed to have had a transfer of employment. A transfer of employment shall not result in termination of membership, which shall continue until terminated pursuant to the provisions of SECTION VI. No contributions shall be required for the period between the dates on which the first Employer's obligation for contributions to this Plan ends and the new Employer's obligation for such contributions begins. Any period of non-employment while a Worker is transferring between Employers shall count towards satisfying the twelve-month period during which disability benefits are not payable for a Pre-existing Condition.

2.8. Special membership status for certain disabled persons. A person who, as of December 31, 2000, was a Member of the Concordia Health Plan for whom contributions to such health plan were waived because of total disability, but who was not a Member of this Plan, shall become a Member of this Plan without enrollment effective as of December 31, 2000, but solely for purposes of the benefit provided by Subsection 4.2 c) and for no other purpose or benefit.

2.9. Ministers not employed by an Employer. A minister who is a Worker as defined in Subsection 1.33 b) but who is employed by an organization which has not adopted this Plan may nevertheless become a Member as of the first day of any calendar month, or may continue to be a Member if already a Member when initially employed by such organization, upon the following conditions:

- a) the employing organization shall enter into a written agreement with Concordia Plan Services confirming that
  - i) such minister is in its employ, specifying the general nature, duties, and Compensation of the minister's position, and is not, and will not upon the satisfaction of any conditions precedent become, a member of any other disability and survivor plan (not including Social Security) to which such organization contributes;
  - ii) it will pay all required contributions on behalf of such minister in a timely manner in accordance with the provisions of this Plan;
  - iii) it will deliver to Concordia Plan Services a copy of Internal Revenue Service form W-2 at the same time it delivers such form to the minister;
  - iv) any other minister who is a Worker as defined in Subsection 1.33 b) at the same employing organization also will become a Member at the same time and in accordance with the same conditions set forth in this Subsection 2.9 a);
  - v) it will promptly inform Concordia Plan Services of any change in or termination of the minister's employment status, including the granting and termination of leaves of absence and the last day worked prior to and the first day worked after periods of disability, and of any change in Compensation; and
  - vi) it will indemnify and save and hold the Plan, the Board of Trustees and Concordia Plan Services, and the Synod harmless from and against all claims, demands, liabilities, and obligations arising out of such employment or any act or omission of the minister in the course of such employment except for obligations arising as a result of the minister's membership in this or any other of the Concordia Plans of the Synod;
- b) the minister also enrolls, simultaneously, in the Concordia Retirement Plan; the Concordia Health Plan unless such minister provides proof of other health coverage through the minister's Spouse, other employment, or the military; and, optionally, the Concordia Retirement Savings Plan; and
- c) the minister submits a properly completed and signed enrollment form including all requested data concerning such minister and Dependents.

Concordia Plan Services shall determine whether such minister is eligible to participate in this Plan and whether all of the conditions to such participation have been satisfied, and its decision shall be binding and conclusive.

No person employed by the employing organization who is not a Worker as defined in Subsection 1.33 shall become a Member as a consequence of the written agreement between the organization and Concordia Plan Services. Except as otherwise expressly provided in this Plan, a minister who becomes (or continues to be) a Member pursuant to this Subsection shall be treated in all respects the same as any other Member.

2.10. Special rules relating to the Uniformed Services Employment and Reemployment Rights Act of 1994. Notwithstanding any provision of this Plan to the contrary, benefits and service credits with respect to military service while serving in the armed services of the United States shall be provided in accordance with Section 414(u) of the Internal Revenue Code, as outlined in special procedures approved by Concordia Plan Services.

## SECTION III

### DEPENDENTS-ENROLLMENT

3.1. Dependent. The term "Dependent" shall mean

- a) a Member's Spouse who is not legally separated from the Member;
- b) a Member's unmarried Child under age twenty-one (21) who qualifies as a dependent for federal income tax purposes or would have been qualified as such a dependent but for exceeding applicable age or earnings limits; provided, however, that such an unmarried Child will be considered a Dependent after attaining age twenty-one (21) only if otherwise dependent and
  - i) if disabled before attaining age twenty-one (21), while the disability continues, or
  - ii) if such Child is a full-time student in an accredited educational institution, but not after attaining age twenty-six (26) unless disabled while such a student and while the disability continues; and
- c) a Member's "Other Relative," which shall mean a Member's grandchild or step-grandchild, who is unmarried, living with the Member, whose gross income for the year is less than the federal exemption amount as defined in Section 151(d) of the Internal Revenue Code of 1986, and receiving over fifty percent (50%) of his/her financial support from the Member; provided, however, that such Other Relative will be considered a Dependent after attaining age twenty-one (21) only
  - i) if totally disabled before attaining age twenty-one (21), and then only while the disability continues, or
  - ii) if a full-time student in an accredited educational institution, but not after attaining age twenty-six (26), unless totally disabled while such a student, and then only while the disability continues.

A "step-grandchild" shall mean a Child of a Member's stepchild or a stepchild of a Member's Child.

Notwithstanding the foregoing, if either parent of the grandchild or step-grandchild is living in the Member's household, the grandchild or step-grandchild shall not be eligible to be a Member's Dependent unless the parent is under age twenty-one (21) and also enrolled as the Member's Dependent in the Plan.

When used with respect to a Member's Child or Other Relative, "disability" or "disabled" shall mean that such person is unable to engage in any substantial gainful activity reasonably commensurate with such person's training, education, or experience due to a medically determinable physical or mental condition; provided, however, that with regard to any insured death benefit amount, the determination of a Child's or Other Relative's disabled status shall be determined by the Insurer.

3.2. Enrolled Dependent. The term "Enrolled Dependent" shall mean a Dependent who has been properly enrolled in the Plan.

3.3. Enrollment procedure. The following rules shall govern enrollment of Dependents:

- a) A Worker must report all Dependents at the time the Worker becomes a Member by completing the appropriate portion of the enrollment form.
- b) If a Member acquires a Dependent, such Dependent will be treated as an Enrolled Dependent from the date of becoming a Dependent if the Member follows the enrollment procedures established by Concordia Plan Services within sixty (60) days after the date such Dependent was acquired. If such application for enrollment is received after the sixty-day period, the Dependent's enrollment will be effective the first day of the calendar month coinciding with or next following the date of receipt by Concordia Plan Services of properly completed enrollment materials.
- c) No Dependent of a disabled Member may be enrolled during any period when contributions are waived pursuant to Subsection 9.5, except
  - i) a Child born to the Member or Member's Spouse during the period of disability, or
  - ii) a Child in the process of adoption at the commencement of the disability.

It is the responsibility of each Worker to report all Dependents and all changes in Dependents so proper enrollment can be accomplished.

3.4. Dependency representation. If a person is represented on an enrollment form as a Dependent of the Member, the acceptance by Concordia Plan Services of the enrollment form shall not preclude Concordia Plan Services at a later date from making a determination that such person is not a Dependent under the provisions of the Plan and voiding such person's membership.

3.5. Rules for determining dependency in particular cases. The following rules shall be applicable in determining dependency:

- a) An individual residing in the household of an enrolled Member may be enrolled as a Dependent under the following circumstances, in the sole and absolute discretion of Concordia Plan Services:
  - i) when an Employer adopts the Plan, to enable retention of coverage for an individual who was covered as a dependent under the Employer's immediately previous plan but who would not qualify as a Dependent under the Plan;
  - ii) when specifically requested by an Employer due to a governmental requirement, court order or other compelling reason where the Employer has demonstrated the need for such enrollment to the satisfaction of Concordia Plan Services; or
  - iii) when required by an applicable insurance contract, policy or certificate.

Provided, however, that no person may be considered a Dependent under this Subsection 3.5 unless such person could be lawfully claimed as a dependent on the Member's federal income tax return for the calendar year in which the person is requesting to be considered hereunder, and provided further that siblings, aunts, uncles, in-laws, parents and grandparents of a Member may not be enrolled under this Subsection 3.5.



## SECTION IV

### DISABILITY BENEFITS

4.1. What constitutes disability. A Member shall be considered to be disabled if, because of injury or sickness which does not result from a cause described in Subsection 4.7, the Member

- i) during the first two (2) years of any disability is unable to perform the essential duties of the Member's occupation, or is unable to earn at least eighty percent (80%) of the Compensation such Member was earning prior to the injury or onset of sickness, and
- ii) after the first two (2) years of any disability is unable to engage in any substantial gainful activity reasonably commensurate with the Member's training, education, or experience.

For the purposes of this SECTION IV, the term "injury" means any accidental bodily harm and the term "sickness" means any medically determinable physical or mental impairment resulting from an anatomical, physiological, or psychological abnormality which is demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

4.2. Disability benefits payable. An Employer may from time to time elect to provide an alternate disability benefit design described in one or more Appendices to this Plan. If so elected, the provisions in the applicable Appendix will govern benefits payable to a Member who is enrolled through such electing Employer. Unless the Employer elects such an alternate design, a Member's disability benefits from the Plan will be paid as described Herein.

- a) Elimination period. No disability benefit will be payable until the Member has been absent from work due to a disability for a period beyond fourteen (14) consecutive days.
- b) Benefit during disability. Commencing as of the expiration of the elimination period, a disabled Member shall receive a benefit equal to seventy percent (70%) of the Member's Compensation for the applicable payment period, reduced by
  - i) the Member's Social Security Disability Benefits, as defined in Subsection 1.25 or Subsection 4.2(g),
  - ii) any State Mandated Benefits,
  - iii) any group plan benefit with respect to which an Employer shall have paid all or a portion of the cost,
  - iv) any group plan benefit or other salary continuation arrangement with respect to a Member who is not employed by an Employer at the commencement of the disability, except as provided in Subsection 4.6,
  - v) seventy percent (70%) of all compensation of every kind, including earnings from self-employment, earned by the Member while disabled, and
  - vi) any type and amount of salary continuation provided by the Member's Employer during the disability, beginning after the first six (6) months of such salary continuation payments.

Effective for disabilities commencing prior to January 1, 2009, and for as long as the Member continuously receives disability benefits from the Plan, the disability benefit, computed after all reductions except the reduction under Subsection 4.2 b) v) and vi), shall not be an amount less than twenty percent (20%) of the Member's Compensation. Effective for disabilities commencing on or after January 1, 2009, the benefit, computed after all reductions except the reduction under Subsection 4.2 b) v) and vi), shall not be an amount less than ten percent (10%) of the Member's disability benefit prior to such reductions.

Effective on the date a disabled Member becomes eligible for Medicare due to disability, and if the disabled Member is a Member of the Concordia Health Plan, the Plan shall reimburse the Member for the Medicare Part B premium amount actually paid by the Member up to the lowest Medicare Part B premium amount published by Medicare. Effective January 1, 2016, this reimbursement shall cease when the final payment is made for the Member under Subsection 4.2 c) Herein, except for those Members for whom the final payment under Subsection 4.2 c) Herein was made prior to January 1, 2016, and for those Members the reimbursement shall cease at the end of the month in which the Member's participation in the Concordia Health Plan or Medicare Part B ceases or the Member ceases to be eligible for a disability benefit under the Plan, whichever occurs first. The reimbursement described in this paragraph shall not be taken into consideration when calculating the minimum benefit described in the preceding paragraph. The Member is required to provide any Medicare Part B premium assessment information as may be requested by the Plan from time to time.

No benefit shall be payable after the last day of the month in which the Member dies or the date of the Member's recovery from disability, as determined by Concordia Plan Services or its claims administrator or other designee, which shall have discretionary authority to determine both the date benefits end and whether the Member has recovered from disability.

Any benefit payment or Medicare Part B premium reimbursement for a period of less than a full payment period, and all benefit reductions pursuant to clauses i) through vi) above, shall be prorated on a daily basis.

For the purpose of this SECTION IV the Member's monthly Compensation shall be one-twelfth (1/12) the annual rate of Compensation used for contribution purposes, and the Member's weekly Compensation shall be one-fifty second (1/52) of such annual rate of Compensation. However, if the Member's Compensation was accurately reported on the January 1 immediately preceding the Member's disability, the Member's actual annual rate of Compensation in effect on the date the disability commenced (but not to exceed the maximum compensation described in Subsection 1.5) will be used for this SECTION IV if

- A) an adjustment occurred during the period beginning January 1 and ending thirty-one (31) days immediately prior to the date of the Member's disability, or
- B) during the thirty (30) day period immediately preceding the date of the Member's disability an adjustment occurred which was previously scheduled or which was in accordance with the Employer's regular compensation adjustment schedule.

If the monetary value of housing furnished by the Employer was included in the Compensation used for contribution purposes, the value of such housing shall be excluded in determining the amount of Compensation for the purposes of this SECTION IV so long as such housing continues to be furnished, and when such housing ceases to be furnished, the benefit shall be redetermined for any subsequent periods on the basis of the Compensation including the value of such housing.

If a disability benefit is paid without reduction for any benefits of the types listed in clauses i) through iv) above, and if the Member has received or subsequently receives such a benefit, the Member shall refund to the Plan the lesser of the amount received and the aggregate amount by which the benefits should have been reduced. Unless otherwise paid, the amount of refund due the Plan may be collected by suit and/or by offset as described in the second paragraph of Subsection 13.2 of this Plan.

Any Member who is not a self-employed person under Social Security laws, and whose disability benefit from the Plan is subject during the first six (6) months of disability to Social Security and Medicare taxes under the Federal Insurance Contribution Act (FICA), shall have the Employer's share of such taxes paid by the Concordia Disability and Survivor Plan to the Social Security Administration.

Notwithstanding the foregoing, for any Worker newly enrolled or reenrolled in the Plan effective January 1, 2005, or thereafter, no disability benefits shall be payable by the Plan for any disability commencing during the first twelve (12) months of plan membership if such disability is caused by, contributed to by, or resulting from a Pre-existing Condition; provided, however that for any disability commencing on or after January 1, 2020 and during the first twelve (12) months of plan membership that is caused by, contributed to by, or resulting from a Pre-existing Condition, disability benefits of up to eleven (11) weeks commencing as of the expiration of the elimination period shall be payable from the Plan. If such Worker returns to work at an Employer for at least two (2) weeks after the twelve-month period has expired, and is subsequently disabled due to the same Pre-existing Condition, disability benefits shall become payable effective the date the new disability period commences, provided the new disability period commences after the twelve-month period expires. This limitation shall be waived for:

- AA) Workers who have newly graduated from one of the Synod's seminaries, colleges, or universities; been assigned to an Employer by the Council of Presidents of the Synod (acting as the Board of Assignments); and are enrolled in the Plan at that Employer, and
  - BB) ordained or commissioned ministers, as defined by the Synod, who are reenrolled in the Plan within one (1) year following a termination of plan membership.
- c) Health care coverage benefit during disability. The required contributions to the Concordia Health Plan for the class of membership for which the Member (including dependents, if any) is enrolled in such health plan, shall be paid by this Plan
- i) commencing with the contributions due for the third calendar month following fourteen (14) days of disability, for each disabled Member who was enrolled in the Concordia Health Plan at the onset of disability, and

- ii) for each Member for whom contributions to such Concordia Health Plan were waived as of December 31, 2000 because of "total disability" (as defined in this Plan as in effect on that date).

This benefit is not payable for the dependents of a disabled Member after the death of such Member.

The final payment under this Subsection 4.2 c) shall be the payment (without proration for a partial month) for the month in which the earliest of the following occurs:

- A) the Member ceases to be disabled or is deemed to have recovered from disability,
- B) the latest of the following occurs:
  - a. the Member becomes eligible for Medicare enrollment due to age, or
  - b. twelve (12) calendar months have elapsed following commencement of disability benefits,
- C) the Member dies, or
- D) disability benefits cease to be payable as a result of an exclusion or limitation described in Subsection 4.7.

This benefit shall not be payable during any period for which a Worker is not eligible to receive disability benefits due to a Pre-existing Condition, as described in the last paragraph of Subsection 4.2 b).

Notwithstanding the foregoing, no contributions to the Concordia Health Plan shall be payable by the Plan under this Subsection for a disabled Member who is enrolled in the Concordia Health Plan as a Dependent.

- d) Accrued benefits under Concordia Retirement Plan. Beginning in the year 2013, the Plan shall pay to the Concordia Retirement Plan the average normal cost of the benefits accrued under the Concordia Retirement Plan for the year for each disabled Member for whom contributions are being waived pursuant to Subsection 18.5 a) of the Concordia Retirement Plan.
- e) Self-employed Members on December 31, 1981. Any Member who, on December 31, 1981, was deemed to be a self-employed person under the Social Security laws, is not participating in the Social Security program, whose self-employed status or membership does not subsequently terminate, may participate on a basis such that at the time of disability the amount of benefits in Subsection 4.2 shall be calculated assuming the Member's Social Security Benefits are zero as long as such Member was participating on that same basis on June 30, 2001.
- f) Application for Social Security Disability Benefits. Members must apply for Social Security Disability Benefits when requested by Concordia Plan Services. Members are required to:

- 1) provide proof of application for Social Security Disability Benefits;
- 2) sign a reimbursement agreement;
- 3) provide satisfactory proof that all appeals have been made; and
- 4) if Social Security Disability Benefits are denied, submit satisfactory proof of denial.

If a Member does not comply with the aforementioned process, or does not use the company designated by Concordia Plan Services to assist the Member with filing for Social Security Disability Benefits, then commencing with the sixth (6th) calendar month after the Member's disability benefits from the Plan began, the Member's disability benefit from the Plan may be reduced by an estimate of the Social Security Disability Benefits. If the Member provides to Concordia Plan Services a copy of the Social Security Benefits Notice of Award no later than sixty (60) days following the Member's receipt of the Notice, the Social Security Disability Benefits estimate used by the Plan to reduce the Member's disability benefits will be adjusted to reflect the Social Security Disability Benefits awarded.

- g) Benefit reduction for Members not qualified for Social Security Disability Benefits. For a rostered Member not eligible to receive Social Security Disability Benefits because of the Member's Social Security contribution history, the benefit reduction shall be the calculated amount of monthly benefits, including dependent benefits, which would be payable from Social Security on account of the Member's disability on the earliest possible date if such Member had been contributing to Social Security during the Member's entire working period based on the Member's earnings determined pursuant to (ii) and (iv) as provided below. This reduction shall be made whether or not the Member would meet the Social Security definition of "disabled."

The rules for determining a Member's earnings history up to the date of disability, to be used to determine the calculated primary monthly Social Security Disability Benefit, are as follows:

- i) Social Security earnings for all periods of employment covered under Social Security, while not a Member of the Plan, would be those on which Social Security taxes were paid or, if such earnings are not available, the "hypothetical" wages for such period based on the Compensation on which contributions were made while a Member of the Plan,
- ii) Social Security earnings for all periods of employment not covered under Social Security, while not a Member of the Plan, would be the "hypothetical" wages for such period based on the Compensation on which contributions were made while a Member of the Plan,
- iii) Social Security earnings for periods not covered under Social Security while not employed would be zero, and
- iv) Social Security earnings for all periods while a Member of the Plan would be the greater of earnings as reported by the Social Security Administration or Compensation of the Member not to exceed the maximum Social Security wage base.

If a Member provides a complete earnings history for the Member's entire working career, the calculated offset will be recalculated as provided in (i) through (iv) and using tools

available from the Social Security Administration. If such recalculation results in a smaller or larger offset than the original calculation, the Member's offset will be so adjusted. The recalculated offset amount will then be applied on a prospective basis for all months commencing after the Member provided the complete earnings history.

A Member's Social Security Disability Benefits, as initially calculated following disability, shall not be subject to change for any other reason except to correct for error or to allow for revised data entering into the computation of the Social Security Disability Benefits. Changes will, however, be made to reflect changes in benefits occasioned by changes in dependency status.

4.3. Payment dates. The normal payment period is the calendar month except when disability benefit payments are being made by a third-party payor appointed by Concordia Plan Services which may make payments on a weekly basis. The first payment of a disabled Member's disability benefit shall be due on the first day of the first payment period following the expiration of the elimination period, or the first day of the first payment period following receipt of proof that the Member is, in fact, entitled to receive a disability benefit. If disability benefits otherwise are payable to the Member under the Plan, subsequent payments shall be due on the first day of each payment period thereafter, until the later of the following dates: (a) the first day of the month following the month in which the Member reaches Member's Normal Retirement Date, and (b) the date that is twelve (12) calendar months following commencement of disability benefits.

4.4. Recurrent periods of disability. For the purpose of determining initial eligibility for benefit payments, successive periods of disability will be considered as one period of continuous disability unless

- a) the periods of disability are separated by at least two (2) weeks when the Member is not disabled, or
- b) the later period of disability results from a cause that is unrelated to the cause of the earlier period of disability and commences after the Member has ceased to be disabled.

Notwithstanding the foregoing, for the purpose of determining initial eligibility for benefit payments, if the entire disability period has exceeded six (6) months, successive periods of disability resulting from the same or a related cause will be considered as one (1) period of continuous disability if the Member returns to work, and is able to work the same number of hours such Member was working prior to the disability, as soon as such Member's condition reasonably permits and the later period of disability commences within ninety (90) days after such return to work.

4.5. Treatment, rehabilitation and alternative employment.

- a) Treatment. A disabled Member must be under the regular care of a physician who is not the Spouse, parent, Child or sibling of the Member and whose specialty or experience is appropriate for the treatment of the disabling condition. For this purpose the term "physician" means a licensed medical doctor, doctor of osteopathy, or doctor of chiropractic, when treating a physical impairment and practicing within the scope of the profession for which such person is licensed.

The term shall also mean, when treating a mental impairment,

- i) a psychiatrist,

- ii) a clinical psychologist (whether licensed or certified), or
- iii) when the Member's treatment is individually supervised by a psychiatrist or clinical psychologist,
  - A) a psychiatric social worker,
  - B) a Fellow or Diplomate of the American Association of Pastoral Counselors, or
  - C) a Clinical Member of American Association of Marriage and Family Therapists.

The provider's recommended treatment plan must conform to generally accepted medical standards. The Member may from time to time be required to undergo an independent medical evaluation, including assessment by a psychiatrist or psychologist.

- b) Rehabilitation. In appropriate cases, as determined by Concordia Plan Services or its designee, a disabled Worker may be required to participate in a professionally developed rehabilitation plan intended to enable the Member to recover maximum earning capacity. A rehabilitation plan may include an assessment phase; an educational, vocational or physical rehabilitation phase; and a work phase. The work phase might include part-time or modified work or a transitional work phase during which the Member is employed at an occupation at which such Member can perform, with or without some special accommodation, some (or even all) of the material duties of such occupation, but not every essential duty, and earn some income.
- c) Alternative employment. In appropriate cases, as determined by Concordia Plan Services, a disabled Worker may be required to accept alternative employment. Alternative employment is employment in an occupation, the material duties of which can be performed by the Member and are reasonably commensurate with such Member's training, education or experience.
- d) Adherence to treatment and rehabilitation plans. A disabled Member must adhere to all provisions of any approved treatment or rehabilitation plan, including keeping appointments with physicians and therapists, taking medications as prescribed, following recommended diet and exercise programs and participating in any work phase.
- e) Failure to adhere to plans or accept alternate employment. Concordia Plan Services or its designee may, in its discretion, suspend benefit payments to a Member who fails or refuses to adhere to an approved treatment or rehabilitation plan, and may reduce the benefit payable to a Member who fails or refuses to accept alternative employment to take into account the compensation that would have been received from such alternative employment, unless in any such case there is a medical reason for such failure or refusal.

4.6. Special rules for leaves of absence. If a Member becomes disabled while on a leave of absence, the benefit shall be based on the Compensation used for contribution purposes, but shall not, prior to the scheduled expiration date of the leave, exceed the actual income lost, if any, by the Member because of disability. Any portion of a period of disability which may have elapsed between the fifteenth (15th) day of continuous disability and the scheduled expiration date of the leave shall be included in determining the benefits under SECTION IV whether or not a benefit is actually paid for such period.

4.7. Exclusions and limitations. A Member shall not be deemed disabled for purposes of this SECTION IV if disability

- a) is sustained by the Member while serving in any armed forces,
- b) is sustained by the Member as a result of an act of war, whether or not such act arises from a formally declared state of war,
- c) is sustained by the Member while willfully and illegally participating in fights, riots, civil insurrections, or while committing a felony, or
- d) is sustained by a Member after such Member ceases to be a Worker, even though coverage under the Plan has not terminated pursuant to Subsection 6.1 because the end of the calendar month in which such cessation took place has not yet occurred.

As described in administrative guidelines that may be established by Concordia Plan Services or its designee, no disability benefit will be paid for any period while the Member is incarcerated in a penal or correctional institution for any reason.

Benefits payable for any disability which primarily results from Mental Illness, Self-reported or Subjective-symptom Condition, or Substance Abuse, as defined in Subsections 1.19, 1.24, and 1.28, respectively, shall not exceed a maximum aggregate period of one hundred four (104) weeks in the Member's lifetime or the maximum duration of benefits described in Subsection 4.3, whichever is less. This limitation shall not apply to a Mental Illness resulting from stroke or cerebral vascular accident, viral infection, Alzheimer's disease, senility and/or dementia, organic brain syndrome, or closed head injury. If the Member is confined in a Hospital or Institution because of the disabling condition at the end of the one hundred four (104) week maximum benefit period, disability benefits shall continue during the confinement and during a recovery period of up to ninety (90) days following discharge from the Hospital or Institution if the Member is still disabled when discharged. If the Member is re-confined in a Hospital or Institution at any time during the ninety (90) day recovery period and remains confined for at least fourteen (14) consecutive days, disability benefits shall be payable during that additional confinement and for one additional recovery period of up to ninety (90) days. In addition to the preceding, if after the one hundred four (104) week maximum benefit period for which the Member has received disability benefits, the Member continues to be disabled and subsequently becomes confined in a Hospital or Institution for at least fourteen (14) consecutive days, disability benefits shall be payable by the Plan during the length of that confinement.

4.8. Proof of disability and other information. Proof of disability acceptable to Concordia Plan Services or its claims administrator or other designee will be required before payment of a disability benefit will be authorized. Such proof, including objective evidence of disability, is also required for any disability resulting from a Self-reported or Subjective-symptom Condition. Prior to the payment of any disability benefits, the Member must agree in writing to repay the Plan for any overpayment of disability benefits made to the Member.

Concordia Plan Services or its claims administrator or other designee, in its discretion, may require a Member to undergo a medical or mental examination at any time in order to establish initial disability or verify continued disability. In addition, Concordia Plan Services or its claims administrator or other designee, in its discretion, may require the Member who is receiving disability benefits to furnish appropriate medical and other documentation from time to time, including copies of income tax returns or similar evidence of income and Social Security earnings and benefits.



Concordia Plan Services or its claims administrator or other designee shall have discretionary authority to determine whether such proof and documentation are acceptable and sufficient, to construe and interpret the terms and conditions of the Plan, and to make factual determinations thereunder and to decide all matters arising in the Plan's administration, application and operation, including, but not limited to, questions pertaining to eligibility for participation or benefits and the amounts of benefits, if any, to be paid by the Plan.

Should a Member fail or refuse to submit to a medical or mental examination, or fail to comply with requests from Concordia Plan Services (or its claims administrator or other designee) or medical practitioners, or fail to furnish appropriate medical documentation or other requested information, the Member shall be deemed to have recovered from disability.

If a Member's claim for a disability benefit is denied, any appeal for reconsideration must be submitted in writing by the Member within sixty (60) days of the date of the denial letter. The Member shall be required to furnish such additional documentation or other information, or submit to such additional medical or mental examinations, as may be necessary or appropriate for the determination of such appeal within the time period(s) established and communicated in writing to the Member by Concordia Plan Services or its designee. If the Member fails to furnish such material or submit to such examinations within such time period(s), the Member shall be deemed to have recovered from disability.

4.9. Other Plan benefits during disability. The benefits provided for a Member, or an Enrolled Dependent of that Member, if otherwise available under other Sections of the Plan shall continue to be available during the Member's disability and while disability continues, even if the Member's Employer withdraws or is withdrawn from the Plan.

4.10. Housing allowance for ministers. Disability benefits payable under Subsection 4.2 b) to a Member who, as of the onset of disability, was designated as a Minister of the Gospel, as defined in the Handbook of the Synod, shall constitute a rental allowance, within the meaning of Section 107 of the United States Internal Revenue Code of 1986, as amended, or the corresponding section of any subsequent Internal Revenue Code, paid as part of such Member's Compensation for past services.

4.11. Benefit administrator. Concordia Plan Services may, at its discretion, designate a benefit administrator to administer and manage the disability benefits of the Plan, including, but not limited to, determining the initial and ongoing approval of a Member's disability benefits, working with the Member's physician during the disability and to ensure proper treatment and therapy, issuing the benefit payments, and developing a rehabilitation plan for the Member.

4.12. Lien and Recovery of Rights.

- a) When a death or disability appears to have resulted from an act or failure to act of a third party ("Incident") for which such third party may have some legal liability, benefits otherwise payable under this Plan as a result of such Incident will not be paid unless the Member, Enrolled Dependent or other person entitled to benefits (for ease of reference, the Member, Enrolled Dependent or other person entitled to such benefits or legal representative, as appropriate, is referred to as "Payee" in this Subsection) agrees in writing:
  - i) to reimburse the Plan for the benefits paid and that are reasonably expected to be paid in the future to the extent such benefits are for losses for which recovery or settlement funds are paid to or on behalf of Payee by or on behalf of the person at fault;

- ii) to grant the Plan a lien on such recovery or settlement funds and to hold such amounts in trust for the Plan; and
  - iii) to execute any instruments needed to secure the Plan's rights under this Subsection.
- b) Any recovery or settlement is conclusively presumed to be for the reimbursement of benefits paid by the Plan until the Plan has been fully reimbursed, whether or not the Payee has received full compensation from the third party. The Plan's right to recovery shall have first priority, including priority over the Payee's claim and the claim of any attorney or other party. The Plan's rights shall extend to all portions of the recovered amount, regardless of how characterized, until the Plan is fully reimbursed.
- c) In addition to the foregoing right of reimbursement and lien, and wherever not prohibited by law, the Plan shall be subrogated to the Payee's rights of recovery against any party who may have liability with respect to the incident to the extent of benefits paid by the Plan or reasonably expected to be paid in the future. The Payee must notify the Plan of the circumstances of the incident and must cooperate with the Plan in doing whatever is necessary to enable the Plan to assert its rights hereunder.
- d) If a lump sum amount is recovered and the Plan reasonably expects to pay benefits in the future relating to the incident, the Plan shall be entitled to recover the present value of benefits reasonably expected to be paid.
- e) Payee's compliance with these obligations is a condition of continued entitlement to benefits under the Plan. If any recovery is made by or on behalf of Payee from a third party or insurer and the obligation to reimburse the Plan is not satisfied, the Plan may set off any benefits payable on behalf of such Payee in the future against the unpaid obligation until the Plan has been reimbursed as required by this Subsection.

## SECTION V

### DEATH BENEFITS

5.1. Death of Member. An Employer may from time to time elect to provide an alternate death benefit design described in one or more Appendices to this Plan. If so elected, the provisions in the applicable Appendix will govern benefits payable to a Member who is enrolled through such electing Employer. Unless the Employer elects such an alternate design, upon the death of a Member, the beneficiary designated as provided in Subsection 5.5 shall receive a lump-sum payment equal to two (2) times the Member's annual Compensation, plus an amount equal to one (1) times the Member's annual Compensation multiplied by the number of the Member's Enrolled Dependent Children and Enrolled Dependent Other Relatives, but not more than four (4) such Children or Other Relatives, up to a maximum of six (6) times such annual Compensation. Notwithstanding the foregoing, the minimum Member death benefit shall be twenty thousand dollars (\$20,000).

5.2. Death of Enrolled Dependent. In the event of the death of an Enrolled Dependent Spouse, Enrolled Dependent Child or Enrolled Dependent Other Relative of a Member, if the Dependent's death occurs at a time when a death benefit would be payable under Subsection 5.1 with respect to the Member if such Member were to die on the date of the Dependent's death, a cash payment shall be made as follows:

<u>Type of Enrolled Dependent</u>	<u>Dollar Amount</u>
Spouse	\$10,000
Child	\$10,000
Other Relative	\$10,000

For purposes of this Subsection 5.2, if a Member and one or more of such Member's Enrolled Dependents die within a thirty (30) day period as a result of a single accident or other incident, the Member shall be deemed to have survived the Enrolled Dependent or Dependents.

5.3. Health coverage benefit. Effective December 31, 1999, and thereafter, the required contributions of the Concordia Health Plan for each enrolled surviving dependent of a deceased Member whose death occurred prior to January 1, 1985, shall be paid by this Plan. The final payment of a health coverage benefit under this Subsection shall be the payment for the month in which the dependent ceases to be an eligible dependent.

5.4. Annual Compensation. The annual Compensation on which payments shall be based pursuant to the table set forth in Subsection 5.1 shall be the annual rate of Compensation used for contribution purposes. In the case of a disabled Member, such Compensation shall be increased by three percent (3%) on each January 1 while disability continues, starting with the first January 1 coinciding with or immediately following one full year of continuous disability, measured from the date on which disability commenced.

5.5. Recipient of benefit. The Member shall have the right to designate a beneficiary to receive the death benefit payable under Subsection 5.1. Such beneficiary designation must be made by the Member on forms prescribed by, and filed with, Concordia Plan Services or in accordance with other administrative procedures then in effect. Any beneficiary designation may be changed or revoked by the Member at any time without the consent of any previously designated beneficiary by filing with Concordia Plan Services a form prescribed by Concordia Plan Services or in accordance with other administrative

procedures then in effect. Any revocation shall not apply to a provision of a beneficiary designation that has specifically been made irrevocable, or only revocable with the consent of the spouse, or that expressly states that marriage dissolution shall not affect the designation. If more than one (1) beneficiary is designated and in such designation the Member has failed to specify their respective interest, the beneficiaries will share equally. Unless otherwise provided in the beneficiary designation, the interest of any designated beneficiary predeceasing the Member will terminate and will be shared equally by any beneficiaries who survive the Member.

Notwithstanding the foregoing, if a Member designates his or her spouse, or a relative of his or her spouse, as beneficiary and subsequent to such designation the Member's marriage is dissolved or annulled, the designation of such person as beneficiary under this Plan shall be deemed revoked, unless such beneficiary designation has specifically been made irrevocable, or only revocable with the consent of the spouse, or expressly states that marriage dissolution shall not affect the designation. The beneficiary designation shall be given effect as if the former spouse, or relative had disclaimed the revoked provision. A Member may designate a former spouse, or a relative of such person as beneficiary by completing and submitting a new beneficiary designation after the dissolution or annulment naming the former spouse or former relative as beneficiary. For purposes of this Subsection, a relative of a former spouse means an individual who is related to the Member's former spouse by blood, adoption or affinity and who, after the divorce or annulment is not related to the Member by blood, adoption or affinity.

If there is no beneficiary designation on file with Concordia Plan Services at the date of the Member's death, or if the designated beneficiary(ies) predeceased the Member, the benefit, if insured at the time of payment, shall be paid as described in the certificate issued by the Insurer, or if not insured at the time of payment, shall be paid to the Member's Spouse, if living; otherwise to the Member's surviving Children in equal shares; otherwise to the Member's estate, subject, however, to the provisions of Subsection 13.9. Concordia Plan Services shall have the right to determine whether or not a beneficiary predeceased the Member in any case where any doubt shall exist, and such determination shall be final.

Payment of the death benefit under Subsection 5.2 shall be made to the Member, if living; otherwise, as determined by the Insurer, to the Member's surviving spouse or to the executors or administrators of the deceased Member's estate.

Notwithstanding any other provision of the Plan, no benefits as described in this Section shall be payable to a beneficiary convicted of, or under indictment for, the death of the deceased Member or dependent, and alternate payment shall be made as determined by Concordia Plan Services or its designee.

5.6. Limited extension of coverage. If a Member's coverage under the Plan shall terminate for any reason other than nonreceipt of required contributions at a time when a death benefit would be payable under the provisions of Subsection 5.1 if the Member were then to die and if at such time the death benefits under Subsections 5.1 and 5.2 are, in whole or in part, insured by Concordia Plan Services under a policy of insurance with an insurance company, and if such Member or Enrolled Dependent shall die within thirty one (31) days after such termination of coverage, a death benefit will be paid in the amount which would have been paid had the death occurred immediately prior to the termination of the Member's coverage.

## SECTION VI

### TERMINATION OF MEMBERSHIP AND REEMPLOYMENT

6.1. Termination of membership. A Member's status as a Member and coverage under the Plan shall terminate at the end of the calendar month in which the first of the following occurs:

- a) termination of employment with the Employer through whom participating as a Member, unless
  - i) employed by another Employer within three (3) calendar months; or
  - ii) termination was on account of disability, or
  - iii) in the case of a minister, simultaneously employed by an Employer described in one of paragraphs a) through d) of Subsection 1.11 or by an organization of the type described in Subsection 2.9, or simultaneously becomes an Employer described in Subsection 1.11 e).
- b) the Employer withdraws or is deemed to have withdrawn from the Plan under SECTION VIII,
- c) the Member ceases to qualify as a Worker,
- d) the Member is granted a leave of absence under the Concordia Retirement Plan for governmental service or for furthering education,
- e) termination of a leave of absence under SECTION VII unless the Member simultaneously becomes employed by an Employer,
- f) failure to resume employment with an Employer (or, in the case of a minister, failure to resume employment at an organization meeting the requirements of Subsection 2.9 or failure to become an Employer described in Subsection 1.11 e)), upon recovery from Disability, or upon the cessation otherwise of disability payments from the Concordia Disability and Survivor Plan,
- g) the Member becomes a Retired Member, or
- h) the Member's death.

6.2. Termination of Enrolled Dependent's coverage. An Enrolled Dependent's status as an Enrolled Dependent and coverage under the Plan shall terminate at the end of the calendar month in which the first of the following occurs:

- a) the Member of whom such Dependent is a Dependent ceases to be a Member,
- b) the person ceases to be a Dependent, or
- c) the required contributions are not received by Concordia Plan Services.

6.3. Reemployment. A Member who has had a termination of employment and subsequently is reemployed and again becomes a Member of the Plan shall be considered a new Member for all purposes of the Plan; provided, however, that if such reemployment occurs upon cessation of governmental service pursuant to a leave of absence granted under the Concordia Retirement Plan for such purpose, and prior to the expiration of such leave, then membership in this Plan shall be resumed on the date the person again becomes a Worker.

## SECTION VII

### LEAVES OF ABSENCE

7.1. Availability and effect. A leave of absence granted under Subsection 5.2 of the Concordia Retirement Plan shall be equally effective with respect to this Plan for the same period and on the same terms and conditions available under the Concordia Retirement Plan, and no leave of absence shall be granted under this Plan to a Member who is not also granted a leave of absence for the same reason under the Concordia Retirement Plan. A person's membership in the Plan shall continue while on such leave of absence, but only so long as membership in the Concordia Retirement Plan also continues. During the period of such leave, contributions shall be made to the Plan based on the amount of income or assumed annual Compensation rate on which contributions required to be made to the Concordia Retirement Plan are based.

## SECTION VIII

### EMPLOYER PARTICIPATION AND OBLIGATIONS

8.1. Adoption by Member Congregations. Any Member Congregation may adopt the Plan as of the first day of any calendar month upon filing with Concordia Plan Services, prior to the applicable date, a certified copy of a resolution by the governing body of such congregation adopting the Plan.

8.2. Adoption by Affiliated Agency. Any Affiliated Agency, which qualifies for participation in the Plan as determined by Concordia Plan Services, may adopt the Plan on the first day of any calendar month upon complying with such other requirements as Concordia Plan Services may specify in qualifying such Affiliated Agency.

8.3. Employer's obligations. By its adoption of the Plan, each Employer obligates itself (in addition to the obligations imposed under other provisions)

- a) to inform its Workers of their eligibility for membership in the Plan,
- b) to enroll each of its Workers and their eligible Dependents, by promptly submitting completed enrollment forms as required by Subsection 2.1 following receipt of the relevant information from its Workers, although each Worker is responsible for accurate, thorough, and proper completion of the form(s).
- c) to notify Concordia Plan Services of a termination of employment, the granting and termination of leaves of absence, the last day worked prior to and the first day worked after periods of disability, and other facts or events which may be relevant in the operation of the Plan,
- d) to distribute promptly to or communicate to the Members enrolled through the Employer any notice or other communication from Concordia Plan Services pertaining to the Plan or its operation which Concordia Plan Services shall indicate is for the attention of such Members,
- e) to pay not less than the contribution required for the status of the Member as provided for in Subsection 9.1, including contributions for the period following disability until such contributions are waived pursuant to Subsection 9.5, and
- f) to furnish Concordia Plan Services such information concerning the Compensation and changes in the Compensation of the Workers in its employ as may be needed by Concordia Plan Services to enable it to compute the Compensation of each Member in a manner consistent with the definition of "Compensation" in Subsection 1.5 and the contributions due with respect to each such Member.

8.4. Withdrawal. Any Member Congregation or Affiliated Agency which has adopted the Plan and has thus become an Employer may withdraw from participation in the Plan effective as of the end of any calendar month by

- a) giving notice to Concordia Plan Services at least thirty (30) days prior to such date,



- b) filing with Concordia Plan Services a certified copy of a resolution by the governing body of such congregation or of such Affiliated Agency, as the case may be, authorizing the withdrawal, and
- c) informing Concordia Plan Services that written notice of the termination of such Employer's participation in the Plan has been given to all Workers of such Employer.

Neither the withdrawing Employer nor any Member employed by such Employer shall be entitled to a refund or adjustment of any kind for contributions previously made to the Plan.

8.5. Change in status. An Employer that ceases to be an Employer as defined in Subsection 1.11 for any reason may, in the sole and absolute discretion of Concordia Plan Services, be considered a withdrawn Employer, and if considered a withdrawn Employer, all Workers employed by such Employer at the time of such event shall be treated in the manner provided in Subsection 8.4, as if they were Members employed by a withdrawing Employer on the effective date of such withdrawal. Such a withdrawn Employer may again adopt the Plan, if such re-adoption is approved by Concordia Plan Services.

8.6. Participation in Concordia Retirement Plan required. Notwithstanding any other provisions of the Plan, no Member Congregation or Affiliated Agency may adopt the Plan and become an Employer on or after July 1, 1969, unless it shall simultaneously adopt and become an Employer under the Concordia Retirement Plan, and no Employer participating in the Plan on July 1, 1969, may continue to participate in the Plan from and after said date unless it is an Employer under said Concordia Retirement Plan.

8.7. Failure to comply and remedy. Any failure by an Employer to observe or perform any of its agreements and obligations under this Plan shall be an event of default. Upon the occurrence of an event of default of which Concordia Plan Services has knowledge, the Board may give written notice to the Employer, specifying the event of default and requesting that it be corrected promptly. If the Employer does not correct the event of default within thirty (30) days after such notice, the Board may then or at any time thereafter while the event of default remains uncorrected, by written notice to such Employer, terminate its participation in the Plan, and neither such Employer nor any Member employed by such Employer shall be entitled to a refund or adjustment of any kind for contributions previously made to the Plan.

## SECTION IX

### CONTRIBUTIONS

9.1. Establishing rates. Taking into consideration the advice of an actuary, the expenses of administering the Plan and such other matters it deems relevant, the Board of Trustees shall establish the rates of contribution required for participation in this Plan. The Board may also establish combined rates of contribution for this Plan and other benefit programs offered by the Synod or Concordia Plan Services. If combined rates are so established, the Board of Trustees or its delegate shall determine the specific allocation of funds to this trust in its sole discretion.

Any contribution rate may be changed effective at the beginning of any calendar month.

9.2. Contributions due in advance--interest. Concordia Plan Services shall establish the billing period for the Plan, which will be a calendar quarter, calendar month, or other convenient period. Contributions shall be due in advance of the first day of each billing period, on the due date established by Concordia Plan Services. If the full contribution due the Plan is not received by the due date, interest at a rate established by Concordia Plan Services on the contribution shall be due from the first day of the billing period, compounded monthly, to the date of payment. The rate of interest may be increased or decreased by Concordia Plan Services effective as of the beginning of any calendar month which follows by ninety (90) days the announcement by Concordia Plan Services of the change in the effective rate of interest. If for any reason a Member does not receive Compensation for an entire billing period, contributions shall nevertheless be made by the Employer as required by the Plan, except as provided in Subsection 9.5. Concordia Plan Services will inform each Employer of the contributions due with respect to Members in its employ, but no error in billing shall preclude Concordia Plan Services from subsequently requiring payment of the correct amount of contributions due.

9.3. Compensation base for contributions. If contribution rates are expressed as a percentage of Compensation, the applicable contribution rate shall be applied to the Member's annual rate of Compensation in effect on the date established each year by Concordia Plan Services. Notwithstanding the foregoing, for a Member who is newly employed by an Employer after the annual date described in the preceding sentence, the Compensation base to be used during the Member's initial employment year shall be the annual rate of Compensation in effect upon commencement of employment. Changes in a Member's Compensation during the course of a year shall not change the contribution base unless there is a concurrent change in the Member's duties or the number of hours the Worker is regularly expected to work, in which case such changes shall be effective on the first day of the calendar month next following the date the Compensation changed. The foregoing provisions, however, pertaining to the Compensation base for contribution purposes shall be subject to other provisions of the Plan providing a special Compensation base for determining contributions due in special conditions.

9.4. Changes in contribution status. If a Member's status changes from one contribution status to another (whether resulting in a greater or lesser contribution rate), the rate of contribution payable with respect to the new status shall become effective as of the beginning of the calendar month coinciding with or next following the date of change. No additional charge or refund will be made for a change in contribution status during a calendar month.

The Employer shall report the status of each Worker at the time the Worker becomes a Member and shall make timely reports of changes in status as they occur. In the event that an Employer fails to report a Member's status correctly or to make timely report of a change in status, Concordia Plan Services may call for retroactive payment of contributions which were due but not made, plus interest as described in Subsection 9.2, or return contributions not required.

9.5. Waiver of contributions. Contributions to the Plan for a disabled Member shall be waived commencing with the contributions due for the third calendar month following the date on which disability benefits commence. The waiver shall continue through the calendar month in which the Member ceases to receive disability benefits from the Plan, becomes a Retired Member or dies, whichever first occurs, but the payment of any benefits due to or with respect to any such Member shall not be affected in any manner by such waiver of contribution. Notwithstanding the foregoing, if a disabled Worker is not eligible to receive disability benefits in accordance with the last paragraph of Subsection 4.2 b), there shall be no waiver of contributions under this Plan. During the period of no waiver of contributions, the Employer may continue to pay the Concordia Disability and Survivor Plan contributions for the disabled Worker until the Worker returns to work or the Employer may terminate the disabled Worker's employment, subject to any applicable federal regulations and laws.

9.6. Effect of delinquent contributions. The following provisions shall apply in the event of a delinquency in the payment of contributions to the Plan:

- a) Delinquency by Employer. If an Employer shall fail to remit the contributions for any billing period, plus any interest due thereon, by the end of the sixth (6th) calendar month following the due date, such Employer shall be deemed to have withdrawn from the Plan as described in Subsection 8.4 as of the first day of the billing period for which the contribution was due. Contributions will not be accepted for a current billing period if contributions for a prior billing period for the Plan, plus any interest due, have not been remitted in full.
- b) No benefits during delinquency. No benefits of any kind shall be paid by the Plan for or with respect to any Member or Enrolled Dependent related to disabilities or deaths occurring during
  - i) any period for which a contribution for the coverage is due until payment of the contribution is received by the Plan, or
  - ii) any period after the Employer of a Member shall be deemed to have withdrawn from the Plan as the result of the retroactive operation of the provisions of this Subsection 9.6.

9.7. Contributions irrevocable. Employer contributions shall be irrevocable. Contributions deposited to the trust fund shall be administered by the Board of Trustees in accordance with Subsection 10.10 and SECTION XI hereof.

## SECTION X

### BOARD OF TRUSTEES

10.1. Appointment of Board. The Board of Trustees shall be composed of sixteen (16) persons consisting of: fifteen (15) voting members appointed by the Board of Directors of the Synod and the Chief Financial Officer of the Synod, ex officio, who shall be a nonvoting member. The voting members shall be:

- a) two (2) ministers of religion-ordained,
- b) one (1) minister of religion-commissioned, and
- c) twelve (12) laypersons, at least five (5) of whom shall be experienced in the design of employee benefit plans, at least five (5) of whom shall be experienced in the management of benefit plan investments, and at least one (1) of whom shall have significant financial/audit experience.

Each voting member of the Board of Trustees shall be appointed to serve a three (3) year term, such terms being staggered in order that no more than five (5) members of the Board of Trustees shall be subject to replacement by reason of expiration of term in any year, provided that each voting member shall serve until his or her successor is duly appointed and takes office. A voting member cannot serve beyond four (4) successive three-year terms, but such member may again become eligible for appointment to the Board of Trustees after an interval of three (3) or more years.

The Chief Financial Officer of the Synod shall serve as a nonvoting member of the Board of Trustees until his or her successor is duly appointed and takes office.

10.2. Officers and committees. The members of the Board of Trustees shall elect a chairperson, who shall be a layperson, a secretary, and such other officers as it may from time to time deem advisable. The secretary may be, but need not be, a member of the Board of Trustees.

10.3. Official actions. The Board of Trustees shall act by a majority of its members at the time in office, and such action may be taken by a vote at a meeting or in writing without a meeting. Members of the Board of Trustees may participate in a meeting of the Board by conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting in such manner shall constitute presence in person at such meeting. No member of the Board of Trustees shall vote or decide upon any matter relating solely to the rights or benefits for such member or such member's dependents under the Plan. The Board of Trustees may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more members of the Board of Trustees, and any such committee, to the extent and subject to such limitations as may be provided in the resolution of the Board of Trustees, shall have and may exercise all the powers and authority of the Board of Trustees.

10.4. Records. All acts and determinations of the Board of Trustees shall be recorded by the secretary thereof, and all such records, together with such other documents as may be necessary for the administration of the Plan, shall be preserved in the custody of the secretary and shall be subject to inspection by any person having a legitimate interest therein.

10.5. No compensation. Members of the Board of Trustees shall serve in such capacity without compensation.

10.6. General powers. The Board of Trustees shall have the power to administer the Plan and to administer and invest the Trust fund and shall have all general and incidental powers and duties appropriate for the performance of such functions, including, but not limited to, the powers and duties mentioned elsewhere in this Plan or set forth in the following Subsections of this Section. The Board of Trustees shall not, however, have the power, duty, or authority to add to, or amend, any provisions of the Plan except to the extent, and within the limitations, assigned to the Board of Trustees from time to time by the Board of Directors of the Synod. The Board of Trustees may delegate the power to administer the Plan (but not the Trust fund) to Concordia Plan Services, a nonprofit corporation established by the Synod for that purpose, subject to such limitations as the Board of Trustees may establish from time to time.

10.7. Financial duties. Concordia Plan Services shall collect and receive all contributions due and payable to the Trust fund at such times and in such installments as are provided for in the Plan and the Board of Trustees and Concordia Plan Services shall have the power to pay or authorize benefit payments and charges from the Trust fund as provided in the Plan.

10.8. Insurance contracts. Concordia Plan Services may in its discretion insure with an insurance company all or any of the Plan benefits, except as to any specific benefits which cannot be advantageously insured, and to the extent that the obligation to pay any benefit under the Plan is assumed by an insurance company, the Plan shall have no further liability therefor. Premiums for such insurance shall be payable from the Trust fund. In any situation where there is a conflict between the provisions of this Plan and the provisions of a particular insurance contract, policy or certificate that insures a benefit under the Plan, such contract, policy or certificate will control.

10.9. Custodians. The Board of Trustees or Concordia Plan Services shall enter into one or more agreements appointing a corporation or corporations possessing trust powers as custodians of the Trust fund or designated uninsured portions thereof. If so desired, a custodian may be authorized to pay on order of the Board of Trustees or Concordia Plan Services any benefits or charges due and payable under the Plan. The Board of Trustees and Concordia Plan Services may from time to time revoke any such appointment and enter into an agreement appointing another corporation possessing trust powers as custodian.

10.10. Payment of Plan Administrative Expenses. The Board of Trustees and Concordia Plan Services shall have the power, in their absolute discretion, to employ or appoint such agents, attorneys, accountants, actuaries, medical advisors, investment advisors, administrators, and clerical and other assistants and personnel and to incur such operating and capital expenses as they deem necessary for the administration of the Plan and Trust fund. All expenses incurred shall be paid from funds of the Trust.

10.11. Rules and regulations. Concordia Plan Services shall have the power and authority to promulgate rules and regulations, not inconsistent with the Plan, for the better operation of the Plan, and by its rules and regulations to construe and interpret the provisions of the Plan to resolve any ambiguity or supply any omission or reconcile any inconsistencies; provided, however, that no such rules and regulations shall exceed any limitations assigned to the Board of Trustees by the Board of Directors of the Synod. All such rules and regulations shall be recorded in administrative policies maintained by Concordia Plan Services and shall be applied in a uniform manner to all Employers or persons whose situations are similar.

10.12. Determination of individual rights. All disputes arising out of or relating to this Plan and the rights and obligations under it shall be resolved using the process outlined in this Subsection 10.12. Any dispute regarding the formation, validity, or enforceability of this Subsection 10.12 shall be governed by the Federal Arbitration Act and determined by an arbitrator who is selected using the process outlined in

paragraph b) below. If any portion of this Subsection is determined to be invalid or unenforceable, that portion shall be severed and the remainder of this Subsection 10.12 shall be enforced.

- a) Potential legal claims or disputes shall be brought to the Appeals Review Committee (“ARC”) as a condition precedent to arbitration under paragraph b). Failure to submit an appeal to the ARC will result in a forfeiture of the Member’s right under the Plan to pursue a claim. Notice of a potential claim or dispute, or notice of the appeal of a decision relating to this Plan shall be given to the ARC, with enough supporting material for the ARC to make a determination of the claim, by first class mail to: Appeals Review Committee, Concordia Plan Services, P.O. Box 229007, St. Louis, Missouri 63122-9007. The ARC shall have discretionary authority to interpret Plan provisions that may be unclear or ambiguous in any particular circumstance, or otherwise to decide claims or disputes. No action by the ARC in any particular instance shall establish a binding precedent for any subsequent matter. The determination by the ARC of any such questions shall be final and conclusive subject to arbitration under paragraph b).
- b) If the parties are not able to resolve the entire dispute through the ARC process, then any unresolved claims shall be determined by binding arbitration administered either by: i) JAMS, the Resolution Experts (“JAMS”), under its Streamlined Arbitration Rules before a single arbitrator, or ii) U.S. Arbitration and Mediation, under its Rules of Arbitration, with one of these two arbitration services to be selected by the Member, Member’s Enrolled Dependent, or Employer, or in the absence of a selection by the foregoing, by Concordia Plan Services (the “Arbitration Service”). (If JAMS is chosen and the dispute falls outside the scope of the JAMS’ Streamlined Rules, then JAMS’ Comprehensive Arbitration Rules shall apply.) The location of the arbitration hearing shall be determined by agreement of the parties, or, if they are unable to agree, by the arbitrator(s). All claims shall be pursued individually; any ability to bring collective or class actions is expressly waived. Furthermore, neither party shall have the ability to recover punitive or exemplary damages. To commence arbitration, a party must request arbitration with the Arbitration Service in accordance with the Arbitration Service’s applicable rules no later than i) three (3) years from the date proof of loss is due, or ii) one (1) year from receipt by the party of the ARC’s determination, whichever is longer; claims not instituted in that time period are barred. While the Federal Arbitration Act governs the enforcement and interpretation of this Subsection, Missouri law will otherwise apply to any disputes. Judgment on the final award may be entered in any court having jurisdiction.
- c) Before demanding arbitration, or at any time during the arbitral proceeding, either party may commence non-binding mediation by providing to the Arbitration Service and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. The parties will cooperate with the Arbitration Service and with one another in selecting a mediator from the Arbitration Service panel of neutrals and in scheduling the mediation proceedings. The parties agree that they will participate in the mediation in good faith and that they will share equally in its costs.
- d) In an arbitration under paragraph b) above or a mediation under paragraph c) above, Concordia Plan Services will pay all case management fees incurred, but both sides are expected to equally share the professional fees of the arbitrator or the mediator, respectively. In no instance shall Concordia Plan Services’ attorneys’ fees, or its share of professional fees, be assessed against a Member, a Member’s Enrolled Dependent, or an Employer.

- e) The Board of Trustees will not amend this Subsection 10.12 without giving at least 30 (thirty) days' notice to Members, and no amendment will apply to disputes of which the ARC is already aware at the date of giving such notice.
- f) For ministers, Member Congregations, Controlled Organizations, the Synod, persons involved in excommunication and congregants who hold positions with the Synod or a Controlled Organization, the synodical Dispute Resolution Section of the Handbook of the Synod in effect at the time the dispute is raised controls the applicable dispute resolution process, notwithstanding paragraphs a) through e) of this Subsection 10.12. If the process set forth in the Dispute Resolution Section of the Handbook fails to result in a binding decision for any reason, or if the parties mutually agree, then the procedure set forth in this Subsection will provide the dispute resolution process.

10.13. Power to exclude certain Employers--Workers. The Board of Trustees may exclude from the Plan, other provisions contained Herein to the contrary notwithstanding, an Employer or the Workers of any Employer who are foreign nationals or residents in a foreign country, if the Board of Trustees determines that the Plan would not operate in the best interests of such Workers, or if the inclusion of such Workers would present excessively complicated or difficult problems in the administration and operation of the Plan.

10.14. Cooperation from Employers--others. The Board of Trustees shall maintain or cause to be maintained suitable and adequate records of and for the administration of the Plan and Trust fund. The Board of Trustees or Concordia Plan Services may require the Employers, any individual Employer, or any Member, inactive Member, or Retired Member to submit to it any information, data, report, or documents relevant and suitable for the purposes of such administration and may withhold any benefits payable until the requests are complied with. The Employers agree that they will use their best efforts to secure compliance with any reasonable request of the Board of Trustees or Concordia Plan Services for any such information, data, report, or document.

10.15. Accounts and reports. Concordia Plan Services shall maintain accounts showing the fiscal transactions of the Plan and Trust fund and shall keep in convenient form such data as may be necessary for actuarial valuations of the assets and liabilities of the Plan. Concordia Plan Services shall prepare annually for submission to all participating Employers a report giving a summary of the assets and liabilities of the Plan, an account of the operation of the Plan for the past year, and any further information which may be deemed advisable by the Board of Trustees.

10.16. Power to borrow. Concordia Plan Services shall have the power to borrow money for temporary or emergency purposes of the Trust from any source, upon such terms and conditions as the Board of Trustees may deem desirable and proper, and for any money so borrowed to issue promissory note or notes and to cause the custodian to execute a pledge of all or any part of the Trust fund as a security for the repayment thereof; provided, however, that Concordia Plan Services shall not affect any such borrowing from any other funds which may be committed in trust to the Board of Trustees.

10.17. Power to create special rules for certain unique classifications of employees. The Board of Trustees may create special policies and/or procedures that regulate how the eligibility, enrollment, benefits, and other provisions of this Plan apply to employees in certain employment classifications, including, but not limited to, classifications of foreign missionaries and military chaplains. The intent of such policies and procedures is to provide some flexibility within the Plan provisions that recognizes that for employees in certain employment classifications, adjustments to eligibility rules or benefits may be needed. Any employment classification designated by the Board of Trustees for such a special policy or procedure must be established and administered on a reasonable, nondiscriminatory basis and otherwise

be in accordance with the provisions of the Plan and its administrative rules. Each eligible Worker in a designated employment classification must be provided and offered coverage on the same terms and conditions as each other Worker in that employment classification. Such policies and procedures may be amended or terminated at any time by the Board.



## SECTION XI

### THE TRUST FUND

11.1. Contributions in trust. All Employer contributions allocated to the Plan shall be committed in trust to the Board of Trustees and, except as provided under Subsection 10.8, held as a Trust fund under the Plan. Benefits under the Plan shall be paid or provided for exclusively from such contributions and the income and investments attributable to such contributions, and neither the Synod nor Concordia Plan Services nor any Employer nor the Board of Trustees shall have any individual or corporate liability for such benefits beyond the Trust fund. No part of the corpus or income of the Trust fund shall be used for or diverted to purposes other than for the exclusive benefit of Members and Enrolled Dependents under the Plan; but this provision shall not prevent the payment of expenses from the Trust in accordance with the provisions of Subsection 10.10. No Member, Enrolled Dependent, or any other person shall have any right to or interest in any portion of any funds which an Employer or Member may contribute to the Trust fund for the purpose of paying benefits or any right to or interest in any part of the earnings of the Trust fund, or any right or interest in any part of the Trust assets, except and as to the extent expressly provided for in the Plan.

11.2. Investments. Board of Trustees shall invest and reinvest the principal and income of the Trust fund and keep the same invested without distinction between principal and income, in such property, real or personal, as seems desirable to it and shall not be limited or restricted to investments for trustees as prescribed by any present or future statute or law of any state. Without limiting the generality of the foregoing power, and by way of illustration only, the Board of Trustees shall have power to invest and reinvest the Trust fund in real estate, leaseholds, real estate mortgages, bonds, debentures, common stocks, preferred stocks, investment trust certificates, equipment trust certificates, foreign securities, notes and other obligations, secured or unsecured, and other property, real or personal, whether within or without the State of Missouri or the state where any investment agent may be located, and to participate in a common, pooled, or collective investment fund, including any fund in which the assets of the Concordia Health Plan or Concordia Retirement Plan may be invested; provided, however, in no event shall any such commingling of investments permit the assets of the Trust fund to be used in violation of the provisions of Subsection 11.1. Up to twenty percent (20%) of the total assets of the Trust fund may be invested in Church Extension Funds of the Synod or any district thereof, provided the quality and yield of any such investment compares favorably in the opinion of Board of Trustees (and any investment agent which may at that time be empowered to invest the portion of the fund affected) with other available investments; and further provided that no such investment shall be made if it would constitute a "prohibited transaction" as that term is defined in Section 503 of the Internal Revenue Code of 1986, as amended from time to time. The Board of Trustees, in its discretion, may retain a reasonable portion of the Trust fund in cash for the payment of expenses and the benefits under this Trust and while awaiting investment. Any cash so retained may be deposited in any bank without liability for interest thereon.

11.3. Powers of the Board of Trustees. Board of Trustees shall have the full power, authority and discretion to manage the investments of the Trust fund and otherwise deal with the same, and shall have full power to do any and all things incident thereto. Without limiting the foregoing power, the Board of Trustees is authorized and empowered:

- a) to sell, assign, lease, exchange, convey, transfer, or otherwise dispose of, and also to grant options with respect to, any property at any time held as part of the Trust fund, on such terms and conditions, for cash or on credit, or partly for cash and partly for credit, as to it may seem expedient;

- b) to compromise, compound, and settle any debt or obligation due to or from the Trust fund and to reduce the rate of interest on, to extend, or otherwise modify or enforce, any such obligation;
- c) to vote in person or by proxy (discretionary or otherwise), or to take any other action with respect to any securities at any time held by it Hereunder; to enter into any voting trust and other similar arrangement in respect thereof; to deposit any and all thereof under any deposit, merger, consolidation, reorganization, or other similar agreement or with any committee, depository, or trustee; to accept and retain Hereunder any new securities, cash and/or other property issuable in exchange for or in respect of securities so deposited; to exercise or sell all rights of subscription or other rights accruing on or in respect thereof; and generally to take any and all action in respect thereof which it might or could take as absolute owner thereof, and it shall have power to pay out of the Trust fund any and all fees, assessments, and expenses incurred in connection therewith;
- d) to hold any investment in registered form in the name of the Trust fund or in the name of one or more of its nominees; and to hold any securities in bearer form;
- e) to enforce any right, obligation or claim in its absolute discretion and, in general, to protect in any way the investments of the Trust fund, either before or after default, and where it shall consider such action for the best interests of the Trust fund, in its absolute discretion, to abstain from the enforcement of any right, obligation, or claim or to abandon any property which at any time may be a part of the Trust fund.

Whenever in its judgment it believes such action to be advisable and in the best interest of participants and others who may be entitled to benefits under the Plan, the Board of Trustees may appoint one or more investment agents (who or which must be either (i) registered as an investment adviser under the Investment Advisers Act of 1940, (ii) a bank as defined in such Act, or (iii) an insurance company qualified under the laws of Missouri to manage, acquire, or dispose of assets of an employee benefit plan) selected by it, to manage the assets held by the Board of Trustees Hereunder or some specified portion thereof, granting such investment agent(s), if the Board of Trustees believes it proper, the power to acquire or dispose of such assets in the sole discretion of the investment agent(s) without consultation with or the approval of the Board of Trustees, and any such appointment shall be for a term certain or until revoked by the Board of Trustees, as the Board of Trustees shall specify at the time of such appointment.

11.4. Third persons' duties. No person dealing with the Board of Trustees or with an investment agent shall be required to make inquiry as to the authority of the Board of Trustees or of the investment agent to do any action which the Board of Trustees or an investment agent may purport to do Hereunder, and any such person shall be entitled conclusively to assume that the Board of Trustees or the investment agent is properly authorized to do any act which they purport to do Hereunder. Any person dealing with the Board of Trustees or an investment agent may conclusively assume that the Board of Trustees or the investment agent has full power and authority to receive and receipt for any money or property due and payable to the Board of Trustees or the investment agent, as the case may be, and no such person shall be bound to inquire or see to the disposition or application of any money or property paid to or delivered to the Board of Trustees or the investment agent, or paid or delivered in accordance with the written directions of the Board of Trustees.

11.5. Exculpation. Neither the Board of Trustees nor Concordia Plan Services shall be liable for the adequacy of the Trust fund to meet and discharge any and all payments and liabilities under the Plan, nor shall either be responsible for the performance, administration, and carrying out of the Plan by the Employers or any obligations or duties except as expressly stated in the Plan or in any subsequent

amendments thereto. Neither the Board of Trustees nor Concordia Plan Services shall be liable for the insolvency of or any other act of any insurance company with whom it may contract pursuant to the Plan. No statement or advice by or on behalf of the Board of Trustees or Concordia Plan Services concerning the status of the Plan or Trust, the consequences of participation Hereunder, or any benefit Hereunder under any tax or other law shall impose any liability upon the Board, Concordia Plan Services or the Plan in the event of any determination contrary to such statement or advice. Neither the Board of Trustees nor Concordia Plan Services shall be liable for any mistake of judgment or other action taken in good faith, or for any loss, unless resulting from its own willful neglect or bad faith; and neither the Board of Trustees nor Concordia Plan Services shall be liable for any loss sustained by the Trust fund by reason of the purchase, retention, sale, or exchange of any investment in good faith and in accordance with the provisions hereof or of an agreement between the Board of Trustees or Concordia Plan Services and an investment agent. The Board of Trustees and Concordia Plan Services shall be responsible only for their own acts and omissions, and shall have no liability to any person or party whomsoever for the acts or omissions of others or of any investment agent appointed by it in good faith. The Synod will indemnify any person who is made party to any action, suit or proceeding, whether civil, criminal, administrative or investigative, because of membership on the Board of Trustees against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, except as to any matter in which such person shall be finally adjudged in such action, suit or proceeding (i) to be liable for misconduct in the performance of duties of such member or (ii) to have breached any fiduciary duty for which personal liability is imposed and for which indemnification is contrary to public policy as set forth in any applicable statute or judicial decision. This right shall extend to any action, suit or proceeding which is settled or compromised prior to final judgment, and shall not be exclusive of any other rights to which such person may be entitled as a matter of law.

Indemnification (unless ordered by a court) shall be made only as authorized in a specific case upon a determination by the Synod that the indemnification is proper in the circumstances. Expenses incurred in defending an action, suit or proceeding may be paid in advance of final disposition if the person agrees to repay the amount in question if it is ultimately determined that the person is not entitled to be indemnified as authorized by this Subsection.

Indemnification under this Subsection is not exclusive of any other rights to which those seeking indemnification may be entitled under any law, agreement, or other action, and the right to be indemnified in appropriate circumstances shall continue for a person who has ceased to occupy a position for which indemnity is available and shall inure to the benefit of the heirs, executors and administrators of such person.

The Board of Trustees may authorize the purchase and maintenance of insurance against any liability which might be asserted against any person entitled to be indemnified, and if insurance is in effect, payment of indemnity may be made by the insurer without any specific authorization by the Synod.

Except as may be required by law, no bond or other security shall be required of any member of the Board of Trustees for the faithful performance of the duties of such office.

## SECTION XII

### CHANGE OR TERMINATION OF THE PLAN

12.1. Amendments. Plan is adopted with the intention that it will be continued indefinitely for the benefit of present and future Workers of the Synod and the other Employers; however, the right is reserved in the Board of Directors of the Synod (or its delegate) to amend, change, or modify this Plan retroactively or prospectively, in whole or in part, from time to time, including changes in the benefits Herein provided; provided, however, that no such amendment, change, or modification shall cause or permit any part of the corpus or income of the Trust to be diverted to purposes other than for the exclusive benefit of Members, or cause or permit any portion of the assets of the Trust to revert to, or to become the property of, any Employer; provided, further, that any change, modification, or amendment may be made, without limitation, if required to qualify, or to maintain the qualified status of, the Plan and Trust under the relevant provisions of the Internal Revenue Code. In the event the Synod shall terminate the Plan pursuant to Subsection 12.2 or permanently discontinue contributions to the Plan, the rights of the Members and their Enrolled Dependents in and to the fund shall be as provided in and subject to the provisions of Subsection 12.3.

12.2. Termination. The right is reserved in the Synod in convention to terminate this Plan, or to authorize the Board of Directors of the Synod to terminate this Plan.

12.3. Disposition upon termination. Should the Plan be terminated by the Synod in convention or by the Board of Directors of the Synod following appropriate action by the Synod in convention, such termination will become effective upon receipt by the Board of Trustees of written notice of such termination executed by the President and the Secretary of the Synod or on the date specified in any such written notice. Following the effective date of termination, the Board of Trustees shall utilize and apply the assets of the Trust fund and any other assets then or thereafter available to the Board of Trustees under the Plan, in such manner as the Board of Trustees may find to be reasonable and expedient under the circumstances, toward providing or continuing to provide all or any part of the benefits under the Plan. In no event shall any part of such assets be used except as permitted by the Plan.

## SECTION XIII

### MISCELLANEOUS

13.1. No employment rights. Neither the establishment of the Plan nor its adoption by any Employer shall be construed as conferring any legal rights upon any employee or any person for a continuation of employment, nor shall it interfere with any existing rights of the Employer to discharge any employee and to treat such employee without regard to the effect which such treatment might have upon such employee as a Member of the Plan.

13.2. Inalienability. No benefit Hereunder shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge.

Notwithstanding the foregoing, any overpayment or erroneous or improper payment of any benefit Hereunder which is not refunded by the payee/recipient upon demand by Concordia Plan Services may be recovered by setoff against any amount at any time thereafter payable to such payee/recipient or his or her heirs, successors, or (in the case of the Concordia Health Plan) permitted assigns, from this Plan or from the Concordia Retirement Plan, Concordia Health Plan, Concordia Retirement Savings Plan, or Pension Plan for Pastors and Teachers. In aid of similar powers reserved by such other plans, any such overpayment or erroneous or improper payment by any of those plans may be recovered by setoff against any amount thereafter payable under this Plan to the payee/recipient of such payment, or his or her heirs, permitted assigns, or successors. A setoff claimed against an amount payable under this Plan shall be effected upon receipt of a written claim of setoff from a party authorized to act for the other plan, identifying the claimant plan and stating the party (or predecessor in interest) against whom such setoff should be charged, the basis therefor and the amount thereof. Such written claim shall constitute an assignment of the claim to this Plan. This Plan shall be fully protected and indemnified by the claimant plan from and against all liability for acting in accordance with such written notice. The amount setoff against a payment under this Plan shall be promptly paid to the claimant plan.

13.3. Controlling law. Except for Subsection 4.12(d) concerning the Plan's lien and recovery rights, which shall be governed by the law of the jurisdiction in which the event giving rise to the Plan's lien and recovery rights occurred, without respect to that jurisdiction's principles concerning conflicts of laws, the Plan shall be governed by, and interpreted in accordance with, the laws of the State of Missouri, without respect to Missouri's principles concerning conflicts of laws.

If and to the extent necessary to determine the proper construction to be placed on any provision hereof, or to permit the Plan to enforce its rights to recover any improper payment or overpayment, each Member agrees to submit to the jurisdiction of the Missouri courts, including any Federal court which sits in Missouri, and agrees that service of process by United States Registered or Certified Mail, Return Receipt Requested, will constitute proper personal service.

13.4. Nondiscriminatory action. Wherever the Plan gives the Board of Trustees or an Employer discretion with respect to any action under the Plan, such discretion shall be exercised in a uniform manner applied in a nondiscriminatory fashion with respect to all of its Workers.

13.5. Headings. Section captions and Subsection headings have been inserted for convenience of reference only, and such captions and headings shall not limit, control, or affect the interpretation of any provision of the Plan.

13.6. Marginal notes, cross references, or index. In the publication of the Plan, marginal notes, an index, or bracketed cross-references may be inserted editorially for convenience of reference and the same shall not limit, control, or affect the interpretation of any provision of the Plan.

13.7. Publication of explanatory materials. From time to time Concordia Plan Services may cause to be issued to Members, Employers, and others, commentaries or other materials in connection with an explanation of the provisions of the Plan and its operation. None of such materials shall have the effect of modifying, changing, amending, or altering the provisions of the Plan as adopted and from time to time amended, which shall conclusively control the rights of all parties in interest.

13.8. Conversion privilege. During any period when Concordia Plan Services shall have all or any part of the benefits under the Plan insured with an insurance company under a group policy of insurance, a Member shall be accorded, if such Member ceases to be eligible for such group insurance or if such group insurance is discontinued or terminated with respect to the class of insureds of which that person is a Member, upon application to Concordia Plan Services within the period of time thereafter prescribed by any such policy of insurance, any privileges available under the terms of any such policy of insurance to convert the coverage under the Plan to individual coverage with such insurance company, subject to all of the provisions of such policy. It shall be the responsibility of the Member upon the occurrence of any such event, and within fifteen (15) days thereafter, to inquire in writing of Concordia Plan Services of the existence of any such conversion privileges and the terms and conditions upon which the same may be exercised and thereafter to take such timely steps as may be necessary to have such privileges.

13.9. Assignment. Notwithstanding the provisions of Subsection 13.2, during any period when Concordia Plan Services shall have any benefits Hereunder insured with an insurance company under a group policy of life insurance, a Member shall be accorded, subject to the provisions of any such policy, the right to assign, as a gift and in no other manner, any right, benefit or privilege under such group life insurance including, without limiting the generality of the foregoing, any right which the Member may then have or may thereafter acquire to convert such group life insurance to another policy of insurance and to designate a beneficiary under any such insurance. The Board of Trustees and Concordia Plan Services do not assume any responsibility for the validity or sufficiency of any assignment. The Board of Trustees shall not be considered to have knowledge of any assignment. Concordia Plan Services shall not be considered to have knowledge of any assignment unless the original or a duplicate thereof is filed with Concordia Plan Services.

If under any such life insurance any amount of insurance becomes payable on account of the death of a Member and there is, as to such amount of insurance, at the Member's death, an assignment in effect but no beneficiary designated by the assignee, such amount of insurance will be payable to the assignee, if living, otherwise to the estate of the assignee, and not as otherwise provided in this Plan.

13.10. Lost payees. Each Member and other person entitled to receive payment of any benefit Hereunder shall keep Concordia Plan Services informed of such person's current address. If Concordia Plan Services is unable to locate any person entitled to receive payment of any benefit Hereunder within two (2) years after the same becomes payable, during which period Concordia Plan Services shall have made a search for such person (in accordance with such reasonable procedures as may be established from time to time by the Board in its discretion), the right and interest of such payee in and to the amount payable (and all amounts which may subsequently become payable) shall be forfeited; provided that if the whereabouts of the payee is subsequently established, together with the right of such person to receive benefits, the payee shall receive all amounts to which such payee is entitled Hereunder. In all circumstances, the Board of Trustees or Concordia Plan Services shall never be required to expend in a search for a lost payee an amount greater than the amount payable Hereunder, and all amounts so expended shall be charged against the amounts held for payment.

13.11. Benefit adjustments.

- a) The Board of Trustees shall have the authority to periodically increase monthly benefits payable by the Plan to the disabled Members or Dependents of deceased Members, when deemed appropriate by the Board of Trustees.
- b) A Member or any surviving Dependent of a Member who is eligible to receive a benefit increase or enhancement of any kind which was not earned while such Member was a Worker may voluntarily decline to accept payment of such increase or enhancement by submitting a written declination to Concordia Plan Services at least thirty (30) days prior to the date payment is scheduled to begin. Such declination shall continue to be effective until revoked in writing, whereupon the increase or enhancement shall become payable as of the next January 1. For purposes of computing the amount of such increase or enhancement that may again become payable, including the amount of any lump-sum payment, all periods for which payment was declined shall be treated as periods for which payment was made.

13.12. Claim procedures and limitations – proof of loss. Any claim for disability benefits under the Plan must be submitted as soon as is reasonably practicable but in any event not later than ninety (90) days after the disability began. All other claims and all material in support of any claim must be furnished as described in the administrative process established for such purpose.

Failure to furnish proof of loss within the time provided above shall not invalidate nor reduce any claim if it was not reasonably possible in the opinion of Concordia Plan Services to give proof within such time, provided such proof is furnished as soon as reasonably possible.

Death benefits payable under this Plan shall become payable as of the date of death of the decedent. The payment of post-mortem interest shall be made only if the death benefit is insured and payment of post-mortem interest is provided under the insurance policy or required by applicable state law.

13.13. Facility of payment. Every person receiving or claiming any amount payable under the Plan shall be conclusively presumed to be mentally competent and of full legal age until Concordia Plan Services receives written notice, in form and substance satisfactory to it, that any such person is incompetent or is a minor. If any person entitled to receive a payment under the Plan is a minor, is deceased, or is, in the sole judgment of Concordia Plan Services, otherwise physically, mentally or legally incapable of personally receiving and giving a valid receipt for the amount payable, Concordia Plan Services may, unless and until notified to its satisfaction that a guardian, executor, administrator, committee, or other legal representative has been duly and legally appointed and is active for such person, pay any amount Hereunder, or any portion thereof, in any one or more of the following ways:

- a) in the case of a minor payee, to a natural or adoptive parent, foster parent, or any other person or entity having custody of the person or property of such minor, to a custodian for such person under any Transfers to Minors Law, Personal Custodian Law or similar law of any jurisdiction, or directly to such minor;
- b) in the case of an adult payee, to a Spouse, adult Child or Children, or any other person or entity having custody of the person or property of such payee;

- c) in the case of a deceased payee (whether a minor or an adult), to any person who may have paid or assumed responsibility for the payment of the costs of such decedent's last illness and funeral, or of such decedent's debts generally; and
- d) in any case, regardless of any other discretion which Concordia Plan Services might be authorized to exercise, to any person or entity believed by Concordia Plan Services to have incurred any expense on account of the payee, assumed the responsibility for paying any of the payee's expenses, or agreed to provide for the payee's support and maintenance.

Every decision of Concordia Plan Services pursuant to the authority Herein granted shall be final and binding on all parties. Any payment made pursuant to this Subsection 13.13 shall constitute the full release of the Board of Trustees and Concordia Plan Services from any further accountability or responsibility with respect to such payment, and thereafter neither the Board of Trustees nor Concordia Plan Services shall have any obligation whatsoever to see to the proper application or expenditure of the amount so paid.

13.14. Information and proof. Any person seeking to receive or receiving any benefit provided by this Plan, including any executor, administrator, guardian, custodian, personal representatives or attorney-in-fact for a deceased or incompetent person, as a condition to the receipt or continuation of such benefit shall furnish all documents and other information requested by Concordia Plan Services or its designee to establish or verify entitlement to the benefit, including, but not limited to, death certificates, medical records, income tax returns and Social Security earnings and benefit histories. Concordia Plan Services or its claims administrator or other designee shall have discretionary authority to determine whether any forms, documents and other information are acceptable and sufficient, to construe and interpret the terms and conditions of the Plan, to make factual determinations thereunder, and to decide all matters arising in the Plan's administration, application and operation, including, but not limited to, questions pertaining to eligibility for participation or benefits and the amounts of benefits, if any, to be paid by the Plan.

13.15. Member's responsibility. The Member is responsible for the accurate, thorough, and timely submission of information to the Plan.

13.16. Church Plan Status. The Plan is intended to be a "church plan" as described in section 414(e) of the Code and section 3(33) of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). As such, the Plan is exempt from Titles I and IV of ERISA and from certain provisions of the Code. Concordia Plan Services, which maintains the Plan, is a Missouri nonprofit corporation associated with the Synod. Concordia Plan Services has as its principal purpose or function the administration of plans for the provision of retirement benefits or welfare benefits, or both, for the employees of the Synod (which is a church or a convention or association of churches) and of the Synod's Controlled Organizations, Member Congregations and Affiliated Agencies.

13.17. Doctrine. As a church plan established by the Synod, the Plan will be administered and benefits provided in accordance with the doctrine, beliefs and theological statements, opinions, and resolutions of the Synod.



## SECTION XIV

### PLAN RESTATED AS OF JANUARY 1, 2018

14.1. Restated Plan. The Plan as Herein contained is the Concordia Disability and Survivor Plan, as amended in part and restated in its entirety, effective as of January 1, 2018.

14.2. Effect of restatement. Except as otherwise provided, the provisions of the Plan as amended and restated effective as of January 1, 2018, shall be applicable only with respect to (a) disabilities commencing or (b) deaths occurring on or after January 1, 2018, and shall not affect in any manner benefits payable or to become payable as a consequence of (a) disabilities commencing or (b) Members' deaths occurring prior to January 1, 2018, both of which shall be determined under the Plan in effect from time to time prior to January 1, 2018.

## Appendix A to the Concordia Disability and Survivor Plan

This Appendix sets forth an alternative benefit scheme which may be adopted by an Employer under the Concordia Disability and Survivor Plan. If elected by an Employer, Workers enrolled under that Employer will receive only the benefits designated herein and shall not receive benefits otherwise described in the Plan.

### Option 1

Except as otherwise modified in this Appendix, all other provisions of the Plan shall apply to such Workers.

**Subsection 4.2 c)** - The final payment provisions under the “Health care coverage benefit during disability” subsection shall read as follows:

The final payment under this Subsection 4.2 c) shall be the payment (without proration for a partial month) for the month in which the earliest of the following occurs:

- A) the Member ceases to be disabled or is deemed to have recovered from disability,
- B) thirty (30) calendar months have elapsed following commencement of disability benefits,
- C) the later of the following occurs:
  - a. the Member becomes eligible for Medicare enrollment due to age, or
  - b. twelve (12) calendar months have elapsed following commencement of disability benefits,
- D) the Member dies, or
- E) disability benefits cease to be payable as a result of an exclusion or limitation described in Subsection 4.7.

**Subsection 5.1** – For death benefit coverage, this subsection shall read as follows:

5.1. Death of Member. Upon the death of a Member, the beneficiary designated as provided in Subsection 5.5 shall receive a lump-sum payment equal to two (2) times the Member’s annual Compensation. Notwithstanding the foregoing, the minimum Member death benefit shall be twenty thousand dollars (\$20,000).



**FOR FURTHER QUESTIONS**

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