What is a church pension plan?

A church pension plan is a retirement plan that is established and maintained by a church for its employees. The term “church” applies to all religious denominations, and the term “employees” includes both clergy and lay employees.

Church plans that are established and maintained by a church can also cover the employees of hospitals, schools, and other nonprofit organizations that are associated with that church.

In addition, a plan that is maintained by an organization associated with a church that has as its principal function the administration and funding of a pension plan can be treated as a church plan.