

The facts about church pension plans

Almost all private retirement plans are required to comply with **federal pension and tax laws**. There is only one major exception: Church pension plans. Employees covered by church pension plans are denied the basic protections provided to virtually all other private-sector workers who participate in pension plans.

Church plans:

- Do not have to give employees information about their benefits or about plan investments.
- Are not required to pay benefits fairly.
- Are not required to adequately fund the pension plan.
- Are not covered by the **federal pension insurance program** that guarantees most private pension benefits.

Church pension plans can choose to be covered by federal pension laws but most choose not to be. When a church plan opts out of **federal pension protections**, the rights of employees and retirees are determined by state laws. State laws do not provide the same protections as federal law. However, they generally require that the trustees who run church plans must act wisely, carefully, and only in the interests of plan participants. Individuals who have been improperly denied benefits may be able to ask a state court for a jury trial and also for “compensatory” and “punitive” damages that are not available under federal laws.

Pension Rights Center

1350 Connecticut Avenue NW, Suite 206 | Washington, DC 20036 | (202) 296-3776 | 1-888-420-6550