

### Compliance Checklist Understanding the Employer's Responsibility

Below is a list of items that you should review regularly regarding your organization's retirement plan. Compliance with these items is very important.

#### Update Your Employer Adoption Agreement (Form 20)

- Review your Employer Adoption Agreement to make sure it accurately reflects how your organization makes employer contributions to the plan. Please update this document as any changes are made and send a new copy to our office. If you cannot locate your organization's document, contact FCMM to see if we have a copy on file. See more about the Employer Adoption Agreement on page 2.
- The Employer Adoption Agreement must reflect exactly how employer contributions are calculated and made for each employee according to the employee's contribution class. If employer contributions are stated in dollar amounts rather than percentages, the Adoption Agreement must be revised whenever a new dollar amount is decided. Failure to follow the terms of the Employer Adoption Agreement could result in penalties and fines assessed by the IRS.

#### Notify Employees

- You are required to distribute or make available FCMM's Summary of Important Plan Features (Form 38) to employees of your church or organization who participate in the Plan. The document is available at [www.fcmmbenefits.org](http://www.fcmmbenefits.org). See page 2 for more information.
- Make the Plan available to all eligible employees.
  - Standard eligibility requirements are working 20 hours a week or 1000 hours per year. Any different or additional requirements should be spelled out in the church's Employer Adoption Agreement.
  - All eligible employees can make contributions through a salary deferral agreement, even if the employer is not making contributions for that employee's class.
- Now is a good time to remind eligible employees who are not participating in the Plan about the advantages of making contributions to the Plan. It is important that EFCA pastors and staff build towards financially secure retirements, and participation in the Plan is a good step toward that goal.

#### Check Contribution Limits

- Monitor annual contribution limits throughout the year for each employee. The IRS establishes these limits annually. See page 3 for more information.
  - For 2017, the salary deferral contribution limit is \$18,000 and the age-based catch-up contribution limit is \$6,000.
  - Employer and salary deferral contributions (excluding age-based catch-up contributions) cannot exceed 100% of includible compensation (which excludes a housing allowance) or \$54,000.

#### Remit Contributions

- Remit salary deferral contributions to FCMM as soon as reasonable for the proper administration of the plan. An example of a reasonable time is 15 business days following the month in which contributions are withheld from an employee's salary.
- Find more information about remitting contributions on page 3.

#### Notify FCMM

- Inform FCMM about important staff changes: termination of employment, death, or disability. FCMM prefers notification in writing within 10 business days.

This guide is designed to help a treasurer, bookkeeper, executive pastor, or administrator to understand the employer's responsibility in regard to the FCMM Retirement Plan. FCMM has included compliance and "how-to" information for you. Please contact the FCMM office with any questions that you have. Thank you for your service to your church or organization.

**Compliance is important  
and FCMM is here to help.**

Contact the FCMM office if you have questions: (800)995-5357 or [fcmm@fcmmbenefits.org](mailto:fcmm@fcmmbenefits.org).

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## How to Find a Form

The most up-to-date versions of all forms are available at [www.fcmmbenefits.org](http://www.fcmmbenefits.org).

There are two ways to find a form:

1. Click on the “Forms & Documents” link at the top of the webpage. Browse through the forms.
2. Search for the form by name or by number using the “Search” box at the top of the webpage.

## Employer Adoption Agreement Form 20

The Employer Adoption Agreement is an important legal agreement whereby the employer adopts the FCMM Retirement Plan as its retirement plan. The agreement serves as a cover page to the FCMM Retirement Plan Document.

Every employer must complete an Employer Adoption Agreement. Failure to maintain and follow the terms of an agreement could lead to IRS penalties. Within the agreement, the employer identifies the classes of employees and specifies how employer contributions are calculated and made.

The agreement requires a signature by an employer/church official. The employer should keep a copy of the agreement on file and send the original to the FCMM office.

## Summary of Important Plan Features Form 38

The FCMM Summary of Important Plan Features (Form 38), sometimes called the Summary Plan Document, must be distributed or made available to all employees. The document answers many common questions about the FCMM Retirement Plan. It is the employer’s responsibility to distribute or make the Summary Plan Document available to employees.

## How to Enroll a New Employee

To enroll a new employee in the Plan, direct the employee to complete the appropriate forms and return them to you. Every employee must complete an Enrollment Application (Form 01) and a Beneficiary Designation (Form 02). Additional forms may be required.

Review the forms. Complete the employer information on Form 01 and get an employer official’s signature as needed (Form 01 & Form 03). Make a copy for your records and send a copy by email, fax or postal mail to the FCMM office. The forms are described below.

1. Enrollment Application (Form 01) – required of all participants. This form has a section for the employer to complete. On it, the employer specifies the employee class to which the participant belongs. An employer official’s signature is required on this form.
2. Beneficiary Designation (Form 02) – required of all participants. This form specifies who inherits the account upon death of the account holder.
3. Salary Deferral Agreement (Form 03) – required for participants who will make salary deferral contributions. An employer official’s signature is required on this form.
4. Investment Selection Forms (Forms 04, 05, 06, and 07) – required for those investing in the Self-Directed Mutual Funds or the Adjustable Rate Investment.
  - American Funds (Option F), complete Form 04;
  - Vanguard Funds (Option G), complete Form 05;
  - Biblically Responsible Funds (Option J), complete Form 07; and
  - Adjustable Rate Investment through Christian Investors Financial (Option H), complete Form 06.
5. Rollover Request (Form 08) – optional. A participant can use this form to request that funds from a different retirement plan or individual retirement arrangement (IRA) be rolled over into the FCMM Retirement Plan.

## Retirement Investment Counsel Available to Employees

Since 2008, FCMM has partnered with the Alliance Benefit Group (ABG) to provide participants professional retirement investment counsel at no additional charge. We encourage pastors and other staff members to seek the advice of an objective, trained financial counselor who can provide guided assistance in the area of personal stewardship matters including retirement planning.

FCMM has now employed Jeff Englin, formerly a wealth management consultant with ABG, to give full-time service to FCMM Retirement Plan participants. Jeff can provide assistance in determining which investment option may be the best fit for each participant’s goals. He is familiar with all of our investment options and can give special assistance in selecting specific American Funds or Biblically Responsible Funds. Contact Jeff at [jeff.englin@fcmmbenefits.org](mailto:jeff.englin@fcmmbenefits.org) or 952-853-1751.

## How to Remit Contributions to FCMM

When it comes to maintaining retirement plan compliance, remitting contributions is one of the most important employer responsibilities. The employer plays a large role in making sure contributions are deposited accurately and in a timely manner.

A completed contribution remittance form or spreadsheet must be submitted to FCMM with each contribution to ensure timely and accurate deposits to participants' accounts. A customized electronic spreadsheet version of the remittance form is available upon request to [fcmm@fcmmbenefits.org](mailto:fcmm@fcmmbenefits.org). Please use the FCMM-provided remittance form or spreadsheet. FCMM may return funds to the employer if appropriate remittance information does not accompany the payment.

FCMM accepts retirement plan contributions in three forms: (1) by check, (2) through an employer's bank ACH service or (3) through an employer's bank online bill pay service. Each contribution must come with remittance information that details which participants the contributions are for and the type of contribution. See "Types of Contributions" article to the right.

### Remittance Instructions:

1. Enter the contribution amount for each participant in the correct column on the remittance form or remittance spreadsheet: Employer Contribution, Employee Deferral, or Employee Roth. Note that Employee Deferral & Employee Roth contributions cannot be remitted unless FCMM has a Salary Deferral Agreement on file for the participant.
2. Record the total amount of the check(s) or payment on the total contribution remittance line and list the check number(s) or date of deposit.
3. Give us the name and contact information for the treasurer, bookkeeper, or other individual who is remitting the contribution. FCMM will use this information to resolve any issues with the contribution and ensure a timely deposit.
4. Mail the contribution remittance form to FCMM in the envelope provided or email the completed remittance spreadsheet to [fcmm@fcmmbenefits.org](mailto:fcmm@fcmmbenefits.org).
5. Remit the payment by check, through the employer's bank online bill pay service, or by initiating an ACH payment through the employer's bank. If using ACH or bill pay, remittance information must be sent to FCMM *before* the scheduled payment date.

FCMM will send a receipt to the employer after the payment is received and deposited. Please review the receipt and contact FCMM promptly to correct any errors. A new remittance form to be used with the next contribution will accompany the receipt.

If a former employee is listed on the contribution remittance form, notify FCMM of the participant's termination of employment and date of termination.

## Contribution Limits

There are two types of contribution limits to the FCMM Retirement Plan: (1) the overall limit and (2) the salary deferral limit. The employer is responsible for monitoring contribution limits to ensure that a participant does not contribute more than is legally allowed each year.

The overall limit includes both employer and salary deferral contributions to all 403(b) plans. In 2017, the overall contribution limit is the lesser of \$54,000 or 100% of includible compensation which excludes a housing allowance. The overall limit is also known as the 415(c) limit. The salary deferral limit covers all pre-tax and Roth deferrals to all 403(b) plans. The 2017 limit salary deferral limit is \$18,000. The salary deferral limit is also known as the 402(g) limit. A participant over age 50 can make a catch-up contribution of up to \$6,000 above these limits in 2017.

## Types of Contributions

There are two main categories of contributions that can be sent to FCMM by an employer: (1) Employer Contributions and (2) Employee Contributions.

Employer contributions are a benefit of employment provided to an employee. They are not withheld from the employee's salary. The amount of the employer contribution is determined per the Employer Adoption Agreement (Form 20). Employer contributions can be a base contribution rate or amount, a matching contribution, or both. At year end, the amount of the employer contribution is not reported on a W-2, but the "Retirement Plan" box in Box 13 should be checked. Employer contributions can be remitted on a per pay period, monthly, quarterly, or annual basis as determined by the employer.

Employee contributions, also called salary deferral contributions, are withheld from an employee's salary each pay period on either a pre-tax or Roth (after-tax) basis. A participant completes a Salary Deferral Agreement (Form 03) to indicate the amount or percentage of salary to be withheld. At year end, the amount withheld is reported in Box 12 on the employee's W-2, and the "Retirement Plan" box in Box 13 should also be checked. Employee contributions must be remitted to FCMM as soon as reasonable for the proper administration of the plan. An example of a reasonable time is 15 business days following the month in which contributions are withheld from an employee's salary.

## Fees & Performance Reports

FCMM does not charge any fees directly to the employer. All fees are assessed on participant accounts. The amount of the fee depends on the participant's investment selection. Detailed fee information (Form 41) and performance reports (Form 40) are available at [fcmmbenefits.org](http://fcmmbenefits.org).

## FCMM Benefits

As the church benefits provider of the Evangelical Free Church of America (EFCA), FCMM offers benefits to churches beyond the retirement plan. FCMM Benefits serves ministry staff, in partnership with employing ministry organizations, by providing benefits that promote financial and personal wellness at an excellent value.

## Long-Term Disability Insurance with Group Term Life/AD&D

FCMM Long Term Disability (LTD) insurance is a provision for the church and the staff member. If a disability occurs, the benefit payments help the staff member with financial needs and give the church flexibility of resources to continue to fulfill ministries until the staff member is able to return to duties.

The FCMM LTD plan has been specifically tailored to benefit churches. For example, calculation of the eligible compensation base for benefits includes the housing allowance of qualifying pastors. LTD coverage includes \$10,000 in group term life insurance plus accidental death and dismemberment insurance.

## Payroll Service

FCMM Benefits & Retirement offers a payroll processing service that is coupled with the FCMM Long Term Disability/Term Life Insurance Plan (LTD) benefit. Partnering with ABG Payroll, we can offer a cost-effective service that enables a church of any size to administer worry-free payroll and tax reporting through a provider that understands church benefits.

### Payroll Processing

FCMM Payroll Service includes capabilities for:

- Processing Payroll
- All Requisite Tax Filing
- Employee Direct Deposit
- Custom Reporting
- Integration with FCMM Benefits administration, including FCMM LTD Plan payments and FCMM Retirement Plan contributions.

### Cost Effective

The fees for the FCMM Payroll Service with FCMM LTD Plan coverage are bundled as a single rate based on size of payroll as shown in the following chart. "Gross Payroll" means salary plus housing allowance and other miscellaneous earnings.

Annual Gross Payroll	Rate (% of Annual Gross Payroll)
<\$150,000	1.75% with minimum charge of \$80/payroll
\$150,000-\$299,999	1.50%
\$300,000-\$449,999	1.25%
\$450,000-\$749,999	1.10%
\$750,000 and up	CALL

### Optional Addition of Term Life/AD&D\*

- \$50,000 Term Life/AD&D coverage
  - One times annual salary Life/AD&D Guaranteed Issue (no underwriting)
- \* All LTD-eligible staff must be included

\* *Cost of  
Payroll Service  
INCLUDES LTD  
Premiums!* \*

## Group Health Insurance

FCMM partners with GuideStone to offer group health insurance. See our website for more information.

## New Treasurer Transition

When a new treasurer, bookkeeper, executive pastor, or administrator takes over employer responsibilities for the retirement plan, it is important to give him or her the information needed to transition smoothly. FCMM suggests that you cover the following items as you make a transition:

- Give the new person this Employer Guide.
- Make sure the person knows where the Employer Adoption Agreement is kept on file. Help him/her to understand what the document is and how the employer makes contributions to the plan.
- Provide instructions on how current contributions are made and when they are remitted to FCMM.
- Provide historical information on contributions for the past two years.
- Make sure the new person understands the compliance requirements as detailed on the first page of this Employer Guide.
- Give the contact information for the FCMM office: (800)995-5357 and fcmm@fcmmbenefits.org.
- Encourage the new person to contact to the FCMM office so that we can connect with him or her and answer questions.
- Notify FCMM of the change in the employer's contact information.

For recent developments  
and news about benefits  
visit

[www.fcmmbenefits.org](http://www.fcmmbenefits.org)

We are also on Facebook!

FCMM • 901 East 78th Street • Minneapolis, MN 55420 • (800)995-5357

Retirement Plan: fcmm@fcmmbenefits.org

Long Term Disability Insurance, Payroll Service: benefits@fcmmbenefits.org

FCMM serves as the church benefits provider of the Evangelical Free Church of America.

