

Contributions

By law, all funds to be invested in a participant's account must be submitted by an employer. The amounts consist of contributions by the employer and/or the employee. Both employer and employee contributions may be invested in any of the available FCMM investment options as selected by the employee. Annual contributions to the participant's account are limited by IRS code. See the FCMM website for current limits.

Employer

Employer contributions are considered "tax deferred" and do not appear on an employee's Form W-2. Such contributions become subject to taxes when an individual begins to draw on his or her Plan account at retirement, unless eligible for exclusion as a "housing allowance."

Participant/Employee

All participants in the Plan are allowed to defer a portion of their salaries. This is done through a Salary Deferral Arrangement whereby a certain amount is withheld from salary and sent by the employer to FCMM. This money can be designated as tax-deferred or as Roth contributions.

Clergy do not have to pay either income or social security taxes (SECA) on a tax-deferred contribution and can receive distributions from the Plan designated as "housing allowance" in retirement. Lay staff participants do not have to pay income tax on salary deferrals at the time of contribution unless designated as Roth. When tax-deferred funds are distributed from the Plan they will be taxed. Lay staff members do pay FICA taxes on deferral contributions.

Employees may designate some, or all, of their salary deferral contributions as Roth contributions. These are taxed when contributed, but such amounts and earnings are distributed tax-free at retirement (or upon an earlier distribution event) if the Roth contributions commenced at least five years ago and the participant is at least 59 ½.

Distributions

Your FCMM accumulated assets may be taken in any combination of the following alternatives:

- In-Plan Monthly Income Benefit ("annuity")
- Recurring Monthly Cash Withdrawals
- One-Time (or from time-to-time) cash withdrawals
- Cash withdrawals to meet IRS Required Minimum Distributions

The FCMM Retirement Plan enables ministry staff to develop a successful retirement life plan with a reliable source of retirement savings and income from money deposited by employing ministry organizations.



FCMM exists to enable pastors, staff members, and missionaries to serve Christ throughout their lives by assisting employing ministry organizations in providing retirement and other benefits.



FCMM ("Free Church Ministers' & Missionaries") serves as the church benefits organization of the Evangelical Free Church of America



FCMM Retirement Plan

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Retirement Plan: fcmm@fcmmbenefits.org

Benefit Plan (Disability, Life/AD&D): benefits@fcmmbenefits.org

FCMM makes it easy for churches and ministries to offer retirement benefits to their employees at good value with a range of choices.

Operating as a 403(b)(9) church retirement income account plan, we offer a variety of investment options, whereby participants can manage their own account or benefit from the professional management of funds.

Flexibility: The participant can choose how funds are drawn as benefits, allowing for either or both annuity benefit or continuing self-management of resources.

Housing Allowance Tax Benefit: FCMM can designate retirement distributions as tax-free housing allowance for credentialed pastors and commissioned missionaries. Only a church plan is able to do so.

Minimal Administrative Work: FCMM handles much of the employer administrative work, record keeping, and communication. There is no cost to the employer.

IRS Compliance: FCMM maintains the retirement plan as a compliant 403(b)(9) church plan, which enables all the benefits and flexibility allowed to denominational plans. FCMM must be the sole retirement plan for participating employers.

Death Benefit: If a participant dies before beginning to draw retirement income benefits (annuity), the full amount value is available to designated beneficiaries. If a participant dies after starting annuity benefits, funds not included in the annuity are available to beneficiaries.

Advising: FCMM has an investment adviser on staff who can provide counsel to participants at no cost. Note: Vanguard mutual funds are typically not included for advising as they are offered for the “do it myself” investor.

Portability: If an account holder moves to another FCMM-participating employer, it’s simple for the new employer to make contributions to the account. If a participant no longer serves with a participating employer, the account may be maintained but not added to, or the amount may be rolled over to another qualified retirement account.

Low Fees: Generally, FCMM’s fees are lower than, or competitive with, most investment programs.

Multiple Investment Options

Whether the participant prefers to rely on investment via FCMM-provided funds (Options C, D, E), to self-manage through mutual funds, or some combination, a number of options are available.

FCMM-Provided Funds - Options C, D, E

Three custom funds have been developed by FCMM. Assets are pooled and managed according to fund objectives by investment advisers under the direction of the FCMM trustees. Each participating investor has a proportionate share of the fund, which value is calculated monthly. Investments are screened to substantially eliminate holdings profiting from moral issues of abortion, pornography, alcohol, tobacco, casino gambling, anti-family entertainment, and alternative lifestyles.

FCMM Lifetime Fund (Option C)

This collective fund is managed with an investment strategy designed to build steady, consistent long-term performance through a professionally designed asset allocation plan. The earnings rate is determined by the Trustees of FCMM and may be positive or negative in any Plan Year. At retirement time, one may apply the full value of this fund towards a Monthly Income Benefit (“annuity”). If funds are withdrawn as lump sum(s), a Fair Market Value adjustment will be applied if the accrued value is greater than current market value. This fund it is not recommended for those who want to actively manage or move around their investments. Option C is meant to be used as a “buy and hold” strategy and should be exercised for a long-term investment horizon. Because of the long-term nature of this Option, funds in Option C can be transferred to other Options only once in 12-month period.

FCMM Managed Stock Fund (Option D)

This fund is comprised of a diversified stock portfolio. The fund values directly reflect market gains and losses. The investor enjoys broad stock market investment without making specific choices.

FCMM Managed Bond/Income Fund (Option E)

This fund invests in a broadly diversified bond portfolio of short, intermediate and long-term municipal, federal, foreign and high-quality corporate bonds, and other income investments. Option E can gain or lose value depending on the economic climate. For the investor who would like some portion to track with the bond market, this fund provides the opportunity to do so without requiring specific choices.

Self-Selected Mutual Funds - Options F, G, & J

These options allow a participant to invest among four families of funds. They best serve the highly engaged investor or one who retains the service of an advisor. An FCMM investment adviser is available for complementary consultation for those investing in American Funds or Biblically Responsible Funds. Timothy Plan Funds, GuideStone Funds, and Eventide Funds are morally screened to avoid investment in abortion, pornography, alcohol, tobacco, casino gambling, anti-family entertainment, and alternative lifestyles.

American Funds (Option F)

For the participant who likes more choices, we offer a selection of the major American Funds mutual funds (20+ funds), including a range of target-date funds.

Vanguard Funds (Option G)

FCMM offers a large array of mutual funds in the Vanguard family (80+ funds) that allows significant options for investment planning, including Vanguard’s target-date funds.

Biblically Responsible Funds (Option J)

Three leaders in the Biblically-Responsible Investing (BRI) arena, Timothy Plan, GuideStone, and Eventide offer a number of mutual funds in different asset classes.

Adjustable Fund

Adjustable Rate Investment (Option H)

This option allows participants to invest collectively with Christian Investors Financial (“CIF”), providing for capital expansion needs of EFCA affiliated churches and ministries. Current interest rate information is available at www.ChristianInvestors.org/403b.