

Benefits

for your well-being



ALLIANCE
BENEFITS

Compassion. Integrity. Respect.

Dear Prospective Member,

Unpredictability—here on earth it's the one thing about the future we can all agree on.

A recent poll conducted by Bankrate, Inc. found that only about 3 in 10 workers expect to have enough money to retire comfortably. Nearly 7 in 10 Americans have set low expectations about their retirement prospects. And 1 in 5 Americans fear they will never be able to retire.

While it's true that none of us can see our future, we can take steps to prepare for it. The Christian and Missionary Alliance (C&MA) 403(b) Retirement Plan is designed to help you achieve financial security in retirement. Partnering with you, Alliance Benefits provides the tools and resources you need to help you reach your retirement goals.

Alliance Benefits encourages you to investigate The Christian and Missionary Alliance 403(b) Retirement Plan and the services it offers. We value each pastor, missionary, and lay worker with the C&MA and desire to see that you truly enjoy your retirement.

Sincerely,

Alliance Benefits



"Developing healthy people, who come together to build healthy churches to produce a bountiful harvest."

—Gary Benedict, U.S. C&MA President

Day-to-day challenges keep most churches and ministries struggling to keep up, let alone thinking ahead to the future. However, at some point the thoughts of pastors, missionaries, or lay workers must turn to what their lives will be like after they retire. For some, it may seem like a long way off. For others, it is just around the corner.

Alliance Benefits understands that those who serve in ministry have unique retirement needs and that retirement planning can be overwhelming. When you live on limited income, it can be particularly difficult to set aside the necessary funds for retirement.

The Christian and Missionary Alliance 403(b) Retirement Plan is a powerful tool to help you reach your retirement dreams.

Our Mission

Serving Christian and Missionary Alliance employees, retirees, churches, and supporting organizations by designing, implementing, and administering competitive and cost-effective group insurance and retirement programs.

We honor God and achieve our mission by guiding our services with the following principles:

COMPASSION • RESPECT • INTEGRITY

Currently we are serving nearly 2,000 active employees enrolled in our 403(b) Retirement Plan.



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Alliance Benefits is committed to caring for those who faithfully care for God's people.

The typical pastor is 47 years old and about 19 years away from collecting full Social Security. However, due to life expectancy increases and a huge group of baby boomers who will start collecting in 2012, that benefit may be in jeopardy. Should the Social Security fund come up short, benefits may be reduced, retirement age may go up, and/or Social Security taxes may be raised.

It has been said that the way we care for our pastor's needs reflects how much we value the work he does in bringing us God's Word. Alliance Benefits has developed a retirement plan to provide ministers an opportunity to retire with comfort and the freedom to use their retirement years as God leads.

UNDERSTANDING A TRADITIONAL 403(B) PLAN

A traditional 403(b) plan is designed for employees of tax-exempt organizations. The plan is offered by your church and funded by your employee contributions and matching contributions from the church. By participating in a traditional 403(b) plan, you will supplement your Social Security and/or any other existing

retirement and pension benefits. You will direct the investment of your contributions and be able to change them at any time.

BENEFITS OF PARTICIPATION

In addition to putting more dollars in your retirement account, your participation provides you with benefits today.

1) Your contributions reduce your taxable income.

Contributions to a traditional 403(b) plan are considered pretaxed. Each dollar you contribute to the plan (up to IRS maximum contribution limits) lowers your taxable income. So the money you save in taxes today is also the money you save for your future retirement.

2) Your earnings are tax-deferred.

Interest, dividends, or capital appreciation you earn on your 403(b) plan contributions will not be taxed until you start withdrawing money, generally at retirement.

3) The church contributes to your 403(b) plan.

The church contributions and earnings on your 403(b) account grow tax deferred. Since employer contributions and earnings are not taxed until they are withdrawn, your account balance may grow more quickly.

HOUSING ALLOWANCE—FOR OFFICIAL WORKERS

Since The Christian and Missionary Alliance 403(b) Retirement Plan is a "Church Plan" as recognized by the IRS, it may be possible for you to claim a housing allowance on your pension benefits. This benefit is not available through every 403(b) retirement plan. Only a plan set up as a Church Plan can offer a housing allowance. If you qualify according to IRS Rules and Regulations, you can deduct certain qualifying housing expenses from your pension income. This will reduce the amount of taxes you must pay during your retirement.

UNDERSTANDING A ROTH 403(B) PLAN

A Roth 403(b) plan is a retirement plan in which contributions are made on an after-tax basis and are included in current taxable income. Unlike

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a traditional pretax 403(b), the Roth 403(b) allows you to withdraw your money tax free when you retire. The Roth Account must have been opened five years prior to any withdrawals.

WHO MIGHT BENEFIT FROM A ROTH 403(B) PLAN

Deciding whether to make your retirement contributions on a pretax or after-tax basis is important. Here are things to consider.

1) You are financially well-prepared for retirement.

If you have been generous with your retirement contributions and a strong saver, at retirement you could face a considerable tax obligation. Having your saving exempt from taxation could be a real benefit.

2) Your income is too high to allow you to contribute to a Roth IRA.

There are no income restrictions like those with a Roth IRA; therefore, you can take advantage of contributing large amounts to your Roth 403(b) plan. All contributions are subject to IRS rules and limits.

3) You pay taxes at a low rate today.

If you currently qualify for tax deductions like the Earned Income Credit, you are probably in a tax bracket where pretax savings do not help you that much. A Roth 403(b) plan may be a better option.

NOW IS THE TIME

Whatever your age, it is important to plan financially for your retirement years. A key to maximizing your retirement savings is to start as early as possible and contribute as much as you can. Each financial decision made has the potential to affect your retirement nest egg. Now is the time to think about your future in order to reach your retirement goals. By beginning now, you will be able to feel more comfortable about your financial situation down the road.

IMPORTANT NOTE

Please consult your professional tax advisor to help determine which plan option would best meet your financial needs.



Having a reasonable financial plan is critical to the overall well-being of the pastor and the pastor's family.

ADMINISTRATIVE SERVICES

Great-West Retirement Services, a division of Great-West Life & Annuity Insurance Company, administers The Christian and Missionary Alliance 403(b) Retirement Plan. The Great-West Family of Companies has provided financial services throughout North America since 1891. They are a leader in the retirement plan industry and oversee more than \$104 billion in retirement plan assets. Their leadership is exemplified by providing:

- 1) Broad expertise
- 2) Retirement plan dedication
- 3) Market strength

CONVENIENT ACCOUNT MANAGEMENT

Account balances and activity are sent to each participant quarterly. You may check balances, move money between investments, and make future deferral allocation changes online or through an automated telephone system. Plan participants can utilize a wide variety of online tools to assess their current retirement status and future retirement needs to help develop a personal retirement plan.

INVESTMENTS

As the Plan sponsor, the Alliance Benefits Retirement Investment Committee and the Alliance Benefits Board approve and select the investment funds to be used as investment vehicles for the assets of the Plan. A wide array of core investment options is available through the Plan. With the help of online tools and information, you will be able to make your investment choices based on your personal needs and comfort.

PARTICIPATING EMPLOYERS

Participating employers are C&MA churches and supporting organizations who have been accepted by the Plan sponsor. Employers must adopt the Plan by completing and returning an Adoption Agreement. In the Adoption Agreement between the Plan sponsor and employers, the employers state how they will handle their employees' contributions and how matching contributions will be made. Although the employer must match the employees' contributions, the employer has control over what percentage or amount they will match.

PARTICIPATING EMPLOYEES

Participating employees must complete and return enrollment forms. Included is a Salary Deferral Agreement where employees indicate how much they would like withheld from their paycheck to be deposited into their retirement account. A Salary Deferral Agreement may be changed when needed.

Because The Christian and Missionary Alliance 403(b) Plan is a Church Plan, your housing allowance is not subject to federal income tax. If you are eligible to receive a housing allowance, the portion of your distribution equal to your housing allowance may not be subject to federal income tax. Due to IRS regulations and changes, it is important to speak to your tax advisor to see if you qualify for a housing allowance.

It is in the best interest of a church family to care for their pastor so that he can give attention to the needs of the church.

Q. WHAT DO I DO IF I WANT TO ENROLL?

A. Contact Alliance Benefits to receive enrollment forms. Send an e-mail to retirement@cmalliance.org or call 1-800-700-2651. The enrollment forms are available for download at <http://benefits.cmalliance.org>.

Q. WHAT ARE THE TYPES OF INVESTMENT OPTIONS?

A. You can choose from a variety of investments including international, small cap, mid cap, large cap, bond, fixed income through Alliance Development Fund, and profile series (blended portfolios).

Q. CAN I GET HELP WITH MY INVESTMENT DECISIONS?

A. Employees of Great-West Retirement Services and The Christian and Missionary Alliance cannot give investment advice. Financial calculators and tools on the Web site can help you determine what investment options may be best for you. Please consult your financial planner, attorney, and/or tax adviser as needed.

Q. ARE THERE ANY RECORDKEEPING OR ADMINISTRATIVE FEES TO PARTICIPATE IN THE PLAN?

A. Currently a quarterly administrative fee of \$11.25 will be deducted from your account. This fee will show on your quarterly statements. The larger your account balance grows, the smaller the administrative fee will be as a percentage of your assets. Fees are subject to change.

Q. ARE THERE ANY FEES FOR THE INVESTMENT OPTIONS?

A. Each investment option has an investment management fee that varies. Each management company deducts these fees before the daily price or performance is calculated. Fees pay for trading and other management expenses. Funds may impose redemption fees on certain transfers, redemptions, or exchanges if assets are held less than the period stated in the fund's prospectus or other disclosure documents.

Q. ARE THERE ANY DISTRIBUTION FEES?

A. There are no charges for distributions. Before making a distribution, contact your Great-West Retirement Services representative for more information at 1-800-701-8255.

