

SAVE TOGETHER

THE ALLIANCE 403(B) RETIREMENT PLAN



RETIREMENT PLAN OVERVIEW 2024



ALLIANCEBENEFITS

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This document is intended to provide an overview of retirement benefits. Please contact Alliance Benefits at (800) 700-2651 for more information.

One of the greatest privileges we have as a Benefits team is helping those who are impacting lives for the Kingdom prepare for the future. It is an incredible honor to serve our churches, our pastors, our support staff, our districts, and others who are reaching a lost and hurting world today while also planning for whatever God has in store for them later.

In the following pages, you will find information about The Christian and Missionary Alliance 403(b) Retirement Plan. While the term *403(b)* may not mean much to you now, you will be glad to know that this type of church retirement plan has distinctive advantages for those who participate.

Besides the plan’s advantageous structure, we are blessed to have some amazing partners who assist our participants and their employers in a variety of ways. For instance, our advisors, EverOak Wealth Co., consult with our participants regularly, at no additional charge, to help them structure their investments and plan their financial futures.

We are proud to offer a top-notch mutual fund lineup that includes fully diversified “target-date” funds as well as a couple of mutual fund choices that have been selected because of their values-based principles. You will also have the option of a professionally managed account service available to you for a reasonable fee if you prefer a more customized approach to investments and retirement planning.

Finally, we want this plan to keep the dollars you contribute in your own pocket as much as possible. The most common barrier to that are fees and taxes. Not only do the investments in this plan have very low internal expenses, but the plan also has low fees compared to many you would find if you invested in an individual account on your own. Additionally, under the current tax law, plan assets are eligible for the ministerial housing allowance exclusion for Alliance official workers after retirement. This means those workers could pay much less in taxes when taking withdrawals at retirement age. This is a benefit not found outside of a denominational church plan.

If you can’t tell by now, we are very passionate about this plan. We are also passionate about helping our Alliance workers save effectively for retirement. While “retirement” may look different for you than it does for your friend or neighbor, the common thread is that it takes planning and preparation. The Alliance Benefits team is here to help you every step along the way. We look forward to taking this journey with you!

Grace and peace,



David Peppers
Executive Director for Alliance Benefits

THE ALLIANCE RETIREMENT PLAN

JOINING TOGETHER FOR LOWER FEES

INVESTMENT OPTIONS

Currently, the plan offers 27 investment options including two values-based funds and 12 lifecycle index target-date funds. All are reviewed regularly by the Alliance Benefit Board and Investment Committee. Visit alliancebenefits.org to review current investment options and fund performance.

ORCHARD ALLIANCE FUND

The Orchard Alliance (formerly ADF) fixed income option pays a competitive interest rate compared to the fixed-rate option in other plans. Therefore, your investment will assist in Kingdom-building work.

HOUSING ALLOWANCE FOR CLERGY

When participating in a sponsored church plan, you may be eligible to reduce your taxable income—even after retirement. The Alliance 403(b) Retirement Plan is a “Church Plan” as recognized by the IRS. This means it may be possible for you to claim a ministerial housing allowance on your withdrawals after retirement. This benefit is not available with an IRA (individual retirement account) or most other plans. Only one set up as a Church Plan can offer this tax advantage. If you qualify according to IRS rules and regulations, you can deduct qualifying housing expenses from your 403(b) withdrawals. This will reduce the amount of taxes you must pay during your retirement.

FIDUCIARY RESPONSIBILITY

With this plan, all fiduciary responsibility for the investment lineup is taken care of by The Alliance and the Investment Committee.

LOW FEES

The plan allows you to benefit from the sheer volume of Alliance investors. This means it has high-quality investment options available at a low cost to the participant.

VESTING

All employee and employer contributions are 100 percent vested. This means that all contributions are yours immediately, regardless of how long you’ve been a plan participant.

PLAN CONSULTANTS AVAILABLE

Our plan consultants, EverOak Wealth Co., are available to help you identify your current situation and future financial objectives. They understand the options and alternatives available and will help you develop a program that meets these objectives. Their consultation is provided at no additional cost to plan participants. You may contact them by emailing retirementplan@everoakwealth.com. One of their associates will be in touch with you shortly.

ACCOUNT MANAGEMENT

Accounts are administered through Empower Retirement, the second-largest retirement services provider in the United States. Your Empower account offers many educational resources and retirement planning tools. Once enrolled, log on at empowermyretirement.com to watch your savings grow!

We are better together and can realize far greater success when we work together to reach our common goals (or in some cases, our uncommon goals) as we partner for His Kingdom. Planning for retirement is certainly a goal we all share. We want our Alliance family to be aware of every opportunity. By joining together, we can share in significant benefits along the retirement journey.

Did you know that in most cases, the Alliance 403(b) Plan offers advantages over a retail investment account that you might decide to begin on your own? Let’s count the ways:

- The limits you can defer on a 403(b) are higher than those for an individual retirement account—\$23,000 in 2024 compared to \$7,000 in an IRA. If you are over age 50, you can add \$7,500 more versus \$1,000 in an IRA.
- A team of professionals follows a systematic process by monitoring the existing investments offered by the Alliance 403(b) to maintain a best-in-class investment menu from which participants can choose.
- By adopting the C&MA 403(b) Plan, your church can take advantage of the administrative efficiency as opposed to “reinventing the wheel” on your own. Alliance Benefits and its team of professionals work hard to bring best practices and procedures to plan participants so that they can spend more time focusing on ministry effort.
- The Christian and Missionary Alliance 403(b) Retirement Plan’s fees are competitive when compared to what you would be able to replicate on your own, either as a church, a school, or an individual. Fees are consistently monitored to retain the competitive cost structure as the plan grows and industry services evolve. Currently, each participant pays a low maintenance fee on their account of \$80 per year and 0.15 percent of their total balance annually. As an example, for a participant with a \$50,000 balance, this is an account fee of less than one-quarter of a percent.

Also, churches are sometimes surprised to hear that Alliance Benefits doesn’t charge any fee to set up the Alliance 403(b) Plan.

If you’re not currently saving for retirement, it’s definitely worth your consideration. If you are saving for it but aren’t participating in the Alliance 403(b) Plan, we would be happy to get you enrolled.

Would you like help comparing your current plan (and its fees) to our plan? Or perhaps you are already enrolled and have questions about your Alliance plan fees. If so, we invite you to connect with our consultants at EverOak Wealth Co. Please email them at retirementplan@everoakwealth.com, and someone will be glad to answer your questions.

SAVING FOR YOUR FUTURE

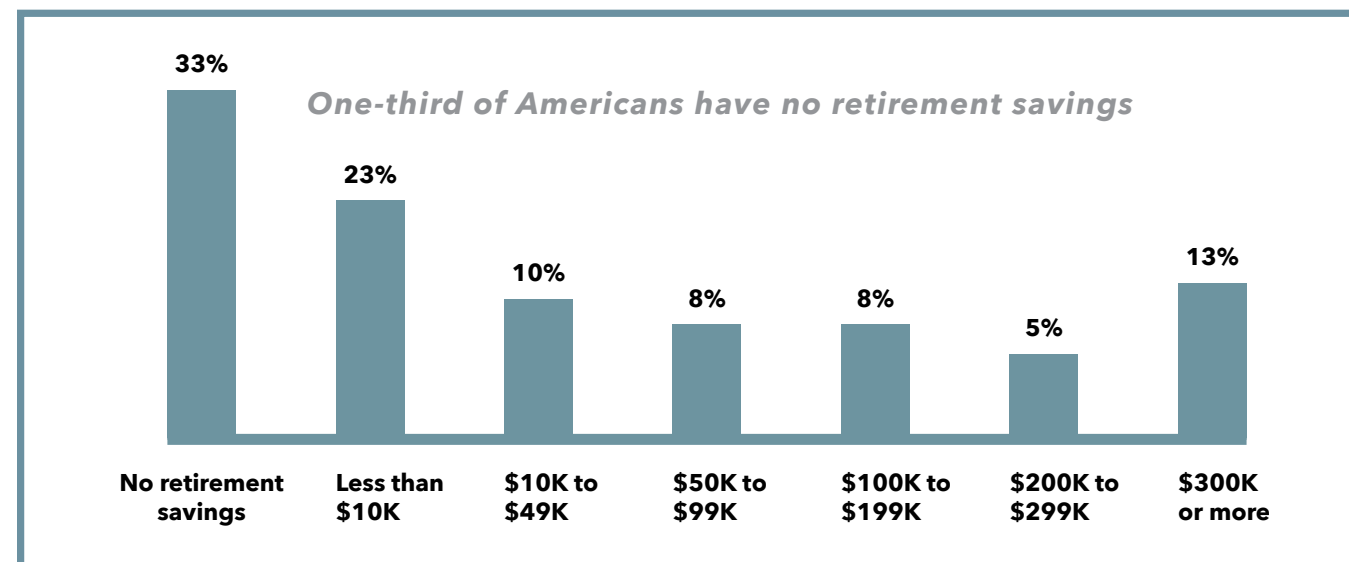
Unpredictability—here on earth, it's the one thing about the future we can all agree on.

Day-to-day challenges make it hard for most churches and ministries to keep up, let alone think ahead to the future. For some, retirement may seem like a long way off. For others, it is just around the corner. Regardless, saving for retirement will be one of the most important things you do for yourself and your family.

When it comes to preparing for retirement, there are many things you can't control—the future of Social Security, tax rates, and inflation, to name a few. But one thing you can control is the amount you save.

DO YOU HAVE A RETIREMENT SAVINGS PLAN IN PLACE?

Are you feeling torn between paying today's bills and investing for your retirement future? You are not alone. In recent polls, one-third of Americans reported they have no retirement savings, and 23 percent said they have less than \$10,000 set aside for the future. More than 28 percent of people over age 55 have no retirement savings.*



*Information provided in April 2018 by the GoBankingRates research study—<http://time.com/money/4258451/retirement-savings-survey/>.

WHAT IF I HAVE NOTHING SAVED OR LITTLE SAVED FOR RETIREMENT SO FAR?

Our consultants often remind us that having enough retirement money is not achieved by “timing the market” but rather by “time in the market.” But if you are tempted to feel discouraged by the numbers, don't be.

An old proverb says, “The best time to plant a tree was 20 years ago. The second-best time is now.” Perhaps you are one of those who did not start 20 years ago or not at the level you would like. Financial planners nationwide are now encouraging employees to think in terms of contributing 15 percent of their income to a retirement plan, including both employer and employee contributions. You can start today, or keep contributing, with whatever amount you are able. At the same time, consider increasing your contribution 1 percent periodically until you reach your desired percentage. If you eliminate a debt, or receive a raise or inheritance, you can consider boosting your annual savings further.

START SAVING. KEEP SAVING.

ROTH OR PRE-TAX WHICH IS RIGHT FOR YOU?

Our 403(b) plan offers you either a Roth “after tax” option or the traditional “before tax” option. The Roth option may be a great tax advantage for some pastors, while others may be best served by the traditional option.

PAY NOW OR PAY LATER

When you contribute to your Alliance 403(b) using the Roth option, your employee contribution is withheld after taxes. You are paying the tax up front. Your employee contributions, including earnings, are taken out tax-free after you retire as long as five years have elapsed since your first Roth 403(b) contribution.

With traditional 403(b) contributions, your employee contribution is withheld before taxes. This reduces your taxable income today. When you take the money out at retirement, your contributions and earnings will be taxable income. This taxable amount, however, may be reduced by designating some of those dollars as part of the ministerial housing allowance.

IS A ROTH 403(B) THE SAME AS A ROTH IRA?

No. When you contribute to your Alliance 403(b) with the Roth option, you may contribute up to IRS maximum limits (see page 9). The contribution limits for a Roth IRA are much lower, and a Roth IRA is available only to those who qualify based on income and tax-filing status.

IS THE EMPLOYER CONTRIBUTION ROTH ALSO?

No. Regardless of whether you choose before tax or Roth for your employee contributions, the employer portion is considered tax-deferred. This means that employer contributions will be taxable income at retirement unless it can be claimed as a ministerial housing allowance (refer to page 4).

WHERE CAN I LEARN MORE?

You can access many helpful resources when you log on to your account on Empower Retirement's website (empowermyretirement.com). After you log in, click the drop-down arrow for “Planning,” then select “My Financial Path” at the top of your home page. You will find many available resources.

WHICH IS RIGHT FOR ME?

One point to consider is whether you need the tax deduction today or if you will need the tax advantage more at retirement. Some employees rely on before tax 403(b) contributions to reduce their current taxable income. Another factor is whether your personal tax rate will be lower today or at the time of your retirement. If you simply want to diversify your tax risk, you might choose to do a little of both!

EverOak Wealth Co. can assist in guiding you on which option is best for you. Email them at retirementplan@everoakwealth.com and an associate will be in touch with you shortly.

Please remember to always discuss any retirement decisions or concerns with your tax and financial advisers.

PLAN PARTICIPATION REQUIREMENTS



One of the greatest privileges we have as a Benefits team is to help those who are impacting lives for the Kingdom prepare for the future.

PARTICIPATING EMPLOYERS

Alliance churches and other Alliance-affiliated employers may participate in the Alliance 403(b) Plan. Each local Alliance employer may adopt the Alliance plan by completing an Adoption Agreement to state your preference for employer contributions.

The Alliance 403(b) Plan requires a minimum match formula for church employers. The church must match the lesser of 50 percent of the employee contribution or 3 percent of that employee's pay, including housing allowance. Of course, employers are welcome to specify a higher match formula for their employees. Additionally, an employer may make discretionary contributions.

Contribution Examples:

- Employer matches 100 percent of employee's contributions up to 8 percent of pay. This is well above the minimum match formula.
- Employer makes a 3 percent contribution to all eligible employees each pay period. This also satisfies the minimum match formula should any employees contribute their own dollars.

PARTICIPATING EMPLOYEES

If your employer agrees, you may participate in the Alliance 403(b) Plan if you are:

- A W-2 employee of an Alliance church or other Alliance-affiliated organization
- Paid to work at least 20 hours a week or more if required by your local employer (your local employer may require a waiting period).

Once the employer and employee complete the needed forms for plan participation, employees may contribute a percentage of their pay, up to the IRS maximums.

RECOMMENDED PERCENTAGE

Most financial planners advise employees to save 15 percent of pay throughout their career—or more if they start saving later. Below are the IRS maximum 403(b) account contribution limits for 2024:

While the housing allowance is considered in your overall compensation for calculating your deferral amount, the dollar amount cannot exceed your includible pay. Therefore, a large ministerial housing allowance may limit what you can defer.

IRS Limits	2024
403(b) Account	\$23,000
Age 50 Catch-Up Amount	\$7,500

PARTNERING WITH ALLIANCE BENEFITS



EverOak Wealth Co. is available to help you identify your current situation and future financial objectives. They understand the options and alternatives available, and they will help you implement a program that meets these objectives. Their consultation is provided at no additional cost to plan participants.



Accounts are administered through **Empower Retirement**, the second-largest retirement services provider in the country. Through a singular focus on income replacement, the Empower experience can take people on a successful journey to and through retirement.

CONTACT INFORMATION

WHO	TOPIC	CONTACT
Alliance Benefits	Enrollments, contributions, address changes, and ending employment	Phone: (800) 700-2651 retirement@cmalliance.org alliancebenefits.org
Empower Retirement	Investment changes, log-in assistance, general questions	(866) 467-7756 empowermyretirement.com
EverOak Wealth Co.	Investment consultation (at no additional charge)	retirementplan@everoakwealth.com



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