

FREQUENTLY ASKED QUESTIONS

1. Q: **Who is eligible to participate in the Ministers' Retirement Plan?**
A: All ministers, as well as other employees who receive compensation from local churches, Church of God state and international offices, Publishing House, colleges and daycare centers. All participants must be U. S. citizens.
2. Q: **When is my money available to me under the Ministers' Retirement Plan?**
A: Funds are available when a member attains age 59½. Limited circumstances may allow earlier withdrawals.
3. Q: **Is it mandatory for a member to retire and receive his/her benefits at age 59½?**
A: No, a member does not have to retire at age 59½, but is permitted to continue making contributions provided the member is active and receiving ministerial income.
4. Q: **Are my pension benefits taxable?**
A: For retired credentialed ministers, pension benefits are generally not taxable – distributions are designated as retirement housing expense. (See IRS Publication 517 for more details.) For non-ministers, distributions are taxable when received by the member.
5. Q: **What about a member who may become disabled before reaching retirement age?**
A: When a member is declared totally and permanently disabled, the member accumulations may be refunded or applied to provide an actuarially equivalent distribution.
6. Q: **In case of death, what happens to a member's accumulations?**
A: If distributions have begun and the member dies before his entire interest has been distributed, the remaining portion of his interest must be distributed to the spouse, at least as rapidly as under the method of distribution as it was to the member. If there is not a surviving spouse, the member accumulations shall be paid in a lump sum to the designated beneficiary(ies) or to the member's estate.
7. Q: **Is it possible to make a "lump sum" contribution at the end of the year?**
A: Yes, if you have not contributed the maximum amount to your account (contact the Benefits Board).
8. Q: **May I make a contribution in the year that I file my tax return to reduce my taxes for a previous year?**
A: No, all contributions must be received by the Benefits Board no later than December 31 of each calendar year.
9. Q: **Is there a provision for "rollovers" from other 403(b) plans?**
A: Yes, a "rollover" from another 403(b) plan can be accepted for deposit to a member's account subject to the approval of the Benefits Board.
10. Q: **May I transfer IRA pension monies or other retirement account funds to the Ministers' Retirement Plan?**
A: Yes, as long as the money is from "before-tax" contributions. Please contact the Benefits Board to obtain the proper forms to allow for such a "rollover" of funds.
11. Q: **Is the Ministers' Retirement Plan an IRA?**
A: No, the Ministers' Retirement Plan is a 403(b) retirement income account for eligible employees of qualified employers, which includes 501(c)(3) tax-exempt organizations.
12. Q: **Does my spouse have to be the primary beneficiary?**
A: Yes, unless your spouse signs a spousal waiver or a Qualified Domestic Relations Order is in place. Others may be named as secondary beneficiaries.
13. Q: **Is there a maximum amount that I can contribute yearly?**
A: With some stipulations, a participant in the MRP plan can contribute up to 100% of his/her compensation or \$49,000 per year (2010), *whichever is less*. A worksheet is available from the Board to calculate contribution limits. Members with 15 or more years of service may qualify for additional "catch-up" contributions, as well as those who are over 50 years of age.

14. Q: **How can I contribute more than what my employer/church contributes for me?**
 A: You must complete a Salary Reduction Agreement (SRA) Form with your employer for any contribution deducted from your salary. (If the employer/church pays your total contribution, no SRA is necessary.) This office will provide you with forms and further information if you wish to increase your contribution.
15. Q: **Is there a surrender charge and an IRS penalty if a member makes an early withdrawal of funds prior to age 59½?**
 A: Yes, there is a surrender charge for early withdrawals prior to age 59½. There is also a special 10% tax penalty imposed by the IRS, plus the appropriate income tax is applicable.
16. Q: **If a member contributes through the Salary Reduction Agreement method and moves to another pastorate, department, etc., what is the proper procedure?**
 A: A new Salary Reduction Agreement Form must be completed with the clerk/treasurer of the new congregation or employer. This agreement is to be retained by the local church, department, agency, etc.
17. Q: **If a minister's credentials are revoked or if a minister leaves the Church of God, what happens to the member accumulations?**
 A: The minister's account can be maintained for up to 42 months to allow him to have his credentials reinstated.
18. Q: **If an employee (non-minister) leaves the employment of the church, agency, etc. prior to retirement are they required to withdraw all their contributions?**
 A: No. If the participant's account balance is in excess of \$1,000, she may maintain her account at the Benefits Board. Smaller accounts will either be rolled over to an account of her choice or cashed out. However, to make contributions to the account, the participant must be employed by a church or church-related entity.
19. Q: **Where are the retirement funds invested?**
 A: The retirement funds in the Trustees' Fund are invested primarily in first mortgage loans to Church of God congregations and in long-term bonds. The equity (stock) funds are invested as directed by the participant.
20. Q: **Is my retirement account guaranteed by any agency of the federal government?**
 A: No, the Ministers' Retirement Plan is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. In addition, the Ministers' Retirement Plan is a church plan and it is exempt from the Employee Retirement Income Security Act ("ERISA").
21. Q: **Is this program available to evangelists and chaplains?**
 A: Yes, evangelists and chaplains may participate under special rules allowing them to write personal checks for their retirement accounts. Please contact the Benefits Board for further information.
22. Q: **Is it mandatory for an employee to participate in the MRP?**
 A: No, enrollment in the MRP is voluntary. However, it is the only official retirement plan approved by the Church.
23. Q: **Is it necessary to enroll in the MRP before sending contributions?**
 A: Yes, a member must enroll and receive a certificate of membership **BEFORE** making contributions.
24. Q: **What kinds of distribution options are available at retirement?**
 A: Currently there are five distribution options. (See enclosed list)
25. Q: **May I freeze my account for hardship situations?**
 A: Yes, a member may suspend contributions for a limited time.

The retirement account provided by the Ministers' Retirement Plan is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

If you have any additional questions, please contact us by phone at (423) 478-7131, toll-free at (877) 478-7190, by e-mail at info@benefitsboard.com, or by writing to:

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