

## INFORMATION SHEET

APP130

The Ministers' Retirement Plan (MRP) is a 403(b) retirement plan approved by the Internal Revenue Service for employees of churches and church organizations associated with the Church of God, Cleveland, Tennessee.

The Ministers' Retirement Plan now offers both a traditional, before-tax 403(b) retirement plan and a designated Roth 403(b) after-tax retirement plan. Eligible participants may contribute to one or both types of retirement plans - but a participant only gets one contribution limit to spread across both types of accounts.

The maximum contributions allowed collectively to both type of accounts is 100% of taxable ministerial income or \$56,000, (subject to adjustment for inflation), *whichever is less*. However, special "catch-up" provisions are available for participants who are over age 50 and for those who have been in the ministry or worked for a church employer longer than 15 years. For an explanation of the catch-up provisions, please review the Maximum Contribution Worksheet available in the Forms section of this website.

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### Types of Contributions

**Traditional, Before-Tax 403(b) Retirement Plan:** Contributions to the traditional retirement plan may be made by Salary Reduction Agreement or by direct contribution from the employer, i.e. the church or church-related entity. The employer (church/ church agency) is permitted to contribute to the participant's retirement account as an added compensation benefit without such being taxable to the participant.

- All contributions to the traditional retirement plan are tax deferred and are not to be included in gross "reportable" income for tax purposes. Since the contributions and interest are tax deferred, they will only be subject to taxes when the money in your account is distributed to you.

**Roth 403(b) After-Tax Retirement Plan:** Contributions to the Roth after-tax retirement plan may be made by Salary Reduction Agreement only. The employer (church/ church agency) is NOT permitted to contribute to the participant's Roth 403(b) retirement account but can make matching contributions into the participant's traditional, before-tax account. Although the Roth 403(b) account is an after-tax account, a participant may NOT make personal contributions into the Roth 403(b) retirement account.

- For Roth 403(b) after-tax contributions, the employer must assure that all amounts are designated as taxable income to the employee and are properly reported as such on the employee's tax information. All distributions of original contributions to the Roth 403(b) account are non-taxable and distributions of earnings are also non-taxable if such are a "qualified distribution."

All contributions - to either the traditional, before-tax account or to the Roth after-tax account - must come through the church/employer and must be payable to the Church of God Benefits Board, Inc. **NO PERSONAL CHECKS CAN BE ACCEPTED**, except from chaplains and evangelists.

Distributions from your retirement plan are available to you as early as age 59½ (see IRS Publication 571).

## Who Is Eligible To Enroll In the Ministers' Retirement Plan?

All ministers and other employees of a local church, state/regional office, international office and agencies of the Church of God who are U.S. citizens are eligible to participate.

The Ministers' Retirement Plan is the only retirement plan officially recognized by the General Assembly of the Church of God.

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**NOTE:** *If you are enrolling for the first time in the Ministers' Retirement Plan, you may enroll in both the traditional, before-tax plan and the Roth 403(b) after-tax plan simultaneously if you want your investment allocation and your designated beneficiaries the same. Simply check both the traditional and Roth boxes to enroll in both.*

*To see immediate tax savings, the traditional, before-tax account may be your best option.*

*If you are already enrolled in the traditional, before-tax account and would like to create a designated Roth 403(b) after-tax account, simply check the Roth box and complete the application.*

*After you have created a designated Roth 403(b) account, you will be able to change the investment allocation of your traditional account and the Roth account separately. Unless you specifically direct the Benefits Board to change the investment allocation in both accounts, changes will only be made to the specific account that you make the request to change.*

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The Church of God Ministers' Retirement Plan is a retirement income account provided for under Section 403(b) of the Internal Revenue Tax Code. Because the Retirement Plan is an employer-provided plan, the contributions must be made through a local church or other Church of God agency from which you receive ministerial income. **YOU ARE NOT PERMITTED TO SEND A PERSONAL CHECK**, unless you are a chaplain or an evangelist.

Since this Plan is a retirement account (not a savings account), no distributions are allowed until the age of 59½, except in cases of extreme hardship (as defined by the IRS), death, and disability. Early distributions for hardship situations (prior to age 59½) are subject to early surrender fees and penalties.

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For additional information, please contact us by phone at (423) 478-7131, toll free at 1 (877) 478-7190, by e-mail at [info@benefitsboard.com](mailto:info@benefitsboard.com), or by writing to:

**CHURCH OF GOD BENEFITS BOARD, INC.**

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