



Financial Benefits Information

General Information

Church Benefits (CB) has partnered with Retirement Wealth Management, Inc., for advisory services and Empower Financial, as the plan provider for record keeper. Empower is a top-rated plan provider.

The CB plan will use highly-ranked institutional mutual funds for cost savings and economies of scale.

All Funds Included in CB's Plans from Empower Meet the Following Criteria:

- Top 25% performance in the last 3- and 5-year statistical periods
- Minimum of three-year tenure of fund managers
- Ratio of management expenses to return is better than the average as measured by Morningstar
- Other criteria considered include risk, value of assets, consistent performance, reputation and level of social responsibility

Tax Advantages

- Rollovers from other eligible retirement plans or Traditional IRAs are possible without tax consequence.
- Earnings on all contributions and rollovers are tax-deferred.
- Retirees who are Ministers for Tax Purposes may request a designation of retirement benefits as a tax-free housing allowance within legal limits.

Other Benefits

- Multiple payment options for distributions and retirement benefits.
- CB world-class customer service and extensive ministerial experience.
- Age 70½ distributions not required for inactive plan rolled over to an active CB retirement plan.

Minister's Housing Allowance

A housing allowance is simply a portion of a minister's compensation that is designated in advance by the church. It is very beneficial to have a Housing Allowance because it is excluded from federal income tax.

In order to qualify for the exclusion from federal income tax, two conditions must be satisfied:

- The housing allowance must be board approved before it was paid (A housing allowance is NEVER retroactive)
- The minister actually spent the allowance on eligible housing expenses during the year

403b – IRS 2020 Limits

The maximum amount an employee can contribute to a 403b in 2020 will increase to \$19,500 and for individuals over the age of 50, their catch-up contribution will remain unchanged at \$6,500 (see table)

Contribution limits for 401(k), 403(b), and most 457 plans

	2019	2020
Employee pre-tax and Roth contributions ¹ [Age 49 and under]	\$19,000	\$19,500
Employee after-tax contributions and any company contributions ²	\$37,000	\$37,500
Maximum annual contributions allowed ³ [Age 49 and under]	\$56,000	\$57,000
Additional employee pre-tax and Roth contributions ¹ [Age 50 and older]	\$6,000	\$6,500
Maximum annual contributions allowed ³ [Age 50 and older]	\$62,000	\$63,500