

Southern Baptist Churches 403(b)(9) Retirement Plan

Overview

Your retirement Plan

Your church offers this Southern Baptist Churches 403(b)(9) Retirement Plan to help you save for your retirement. Contributions can be made to the Plan as tax-sheltered and/or tax-paid (including Roth elective deferrals).

Details about how the Plan works are contained in this summary. While this summary describes the main provisions of the Plan, it does not include every detail or limitation. Every attempt has been made to give you accurate and understandable information about the Plan. If, however, there is a disagreement between this summary and the official Plan document, the Plan document will control the Plan.

When this summary refers to a "minister," it generally means a Minister for Tax Purposes. For more information about who is a Minister for Tax Purposes, see our manual, *Ministers' Tax Guide*. You'll find more information in our brochure, *Ministerial Tax Issues*. Both of these publications are available on our website or by contacting GuideStone® for a free copy.

Eligibility

How you become a participant of the Plan

Any person who is in paid employment receiving W-2 taxable income from a church, school or association may be eligible to become a participant in the Plan. The church may have eligibility conditions that must be met first. Please check with your church to learn more about those conditions.

Contributions

You, your church and your state convention may all contribute to your retirement account. Contributions to the Plan are generally based on a percentage of your compensation defined as:

- Wages or compensation you earn from your church prior to termination of service.

- The tax-sheltered contributions you make to this Plan and certain other plans.

In addition, contributions may also be based on regular compensation received by the end of the tax year in which you terminate or two and one-half months after the end of the tax year in which you terminate, if that is later.

If you are a Minister for Tax Purposes, your compensation also may include your housing allowance designated according to applicable law.

Your church's contributions

While you are in paid service with a church, your church may make contributions to the Plan on your behalf, within the limits imposed by the IRS.

If your church meets the eligibility requirements established by your state convention, your state convention may make contributions on your behalf.

- Some state conventions will make a matching contribution of \$1.00 for every \$3.00 deposited, for monthly deposits of \$52.50 to \$105.00; maximum state convention match is \$17.50 per month.
- Some state conventions offer a protection benefit contribution of \$17.50 when a participant makes a minimum monthly \$50 contribution to the retirement Plan.

Eligible non-ministerial participants: If you and your church meet the eligibility requirements established by your state convention, you may be eligible for matching retirement contributions and will receive protection benefits. Check with your church or contact GuideStone by calling **1-888-98-GUIDE** (1-888-984-8433) for details.

Your contributions

If you meet the eligibility requirements, you are allowed to make tax-sheltered contributions, Roth elective deferrals and/or tax-paid contributions to the Plan. Contributions are generally based on a percentage of your compensation.

Tax-sheltered contributions

The advantage of tax-sheltered contributions is that you pay no federal income taxes on the money when it is put into the Plan. For ministers, these contributions are not subject to self-employment (SECA) taxes. For non-ministerial participants, the contributions are subject to Social Security and Medicare (FICA) taxes. Generally, federal income taxes are payable when these amounts are distributed from the Plan. Your taxes may be lower at retirement because you may be in a lower tax bracket.

Roth elective deferrals

If you elect to make Roth elective deferrals, you must pay current income tax on the money put into the Plan. The contributions and, in most cases, the earnings are not subject to federal income taxes when distributed to you. However, in order for the earnings to be tax-free, you must meet certain conditions. Contact GuideStone to find out more about Roth elective deferrals.

Age 50 catch-up contributions

If you are eligible to make tax-sheltered contributions and/or Roth elective deferrals to the Plan and will be age 50 (or older) before the close of the Plan year, you may be eligible to make what are called age 50 catch-up contributions to the Plan. Contact GuideStone to find out more about this type of contribution and the requirements that must be met.

Tax-sheltered contributions and/or Roth elective deferrals are made through a written, legally binding *Retirement Contribution Agreement*. This form is available from GuideStone. The agreement states the specific percentage, or dollar amount, of compensation you are reducing. After you sign your *Retirement Contribution Agreement* and provide the document to your church, your church will then reduce your salary by the agreed-upon amount and contribute it to the Plan for you.

Tax-paid contributions

You may also choose to make your contributions to the Plan on an after-tax basis. When you receive distributions from the Plan, no additional taxes are due on your after-tax contributions. However, the earnings on those contributions will be taxed when they are distributed.

Rollover and transfer contributions (inbound)

You may be eligible to make a tax-free rollover to the Plan from another eligible retirement plan or an IRA. In addition, you may be eligible to make a transfer from another 403(b) plan. IRS rules on rollovers and transfers are complex. Contact GuideStone for more information about making a rollover or transfer to the Plan.

Limitations on contributions

There are limits imposed by the IRS on the amount of contributions that can be made to the Plan by or for a participant. GuideStone's website offers general information about annual maximum limits. Also, as a free service, we can help you in determining your limits. Please contact us for a calculation of your limits. We suggest that you speak with your tax advisor about how the limits apply to you.

Plan investments

You may place your contributions (including rollovers and transfers), your church's contributions and your state convention contributions in any of the investment choices available under the Plan. A description of the Plan investments and their performance is available on GuideStone's website or in the brochure, *Investment Funds Update*.

You may change the investment of your current account balance and your future contribution allocations in the various Plan investments made available by GuideStone by visiting GuideStone's website, *GuideStone.org*, or by calling 1-888-98-GUIDE (1-888-984-8433).

Vesting

Vesting is the process by which you gain ownership rights to the contributions in your account. Under the provisions of the Plan, all contributions you and the state convention make to your retirement account and their earnings are 100 percent vested to you and are non-forfeitable. The church may impose a vesting schedule on contributions made by the church. Please check with your church to learn more about any vesting schedule that may apply.

Distribution of benefits

Contributions to the Plan are intended to stay in the Plan until death, disability or retirement. The IRS places restrictions and penalties on early distributions. Because IRS regulations and Plan restrictions on distributions can be complex, please contact GuideStone for more information about your benefits and distributions.

You, your surviving spouse or your beneficiary should contact GuideStone if you are eligible for benefits due to disability, death or retirement. Benefits do not begin until a completed application is submitted to GuideStone.

Note: Retirees who are ministers may request a designation of retirement benefits as tax-free housing allowance within legal limits.

Distributions while in service

Distributions of contributions while you are in paid service are available in limited circumstances. You may receive a portion or all of your Rollover Contribution Account and Transfer Contribution Account, as permitted by law. You may also receive a portion or all of your tax-paid contributions and earnings and your December 31, 1988, employee tax-sheltered contributions account balance with your current church. All employee tax-sheltered contributions and earnings from your former churches may also be withdrawn. Employee tax-

sheltered contributions and their earnings made after December 31, 1988, may not be distributed until age 59 ½, death, disability and termination from service or for financial hardship.

In addition, you are eligible to receive a retirement benefit from the Plan without terminating service if you are 100 percent vested in your employer contributions account and are at least 59 ½ years old.

Distributions due to hardship

A distribution for financial hardship must meet specific criteria and cannot include earnings. If you receive an in-service distribution due to a financial hardship, you will be unable to make your contributions to any retirement plan of the church for six months following the date of distribution. Please contact GuideStone for more information about hardship withdrawals.

Distributions due to disability

Disability retirement benefits are available to you after meeting the requirements under the Plan regarding the determination of disability. If you need more information about receiving a benefit due to disability, contact GuideStone.

Distributions following death

If you die with an account balance in the Plan, your total account balance (contributions and earnings) will be payable to your designated beneficiary.

Distributions at termination from service

If you leave paid service with a church, you may leave your vested account balance in your Plan with GuideStone until a distribution is required by law, or you may begin receiving a benefit from all or a portion of your vested account balance.

The IRS requires benefits to begin by April 1 following the later of: 1) the year you reach age 70 ½ or 2) the year you retire.

If you have funds transferred from another Code section 403(b) plan, please contact GuideStone for information about restrictions on these funds.

Rollovers and transfers (outbound)

You may be able to make a tax-free rollover to another eligible retirement plan or to an IRA or a taxable conversion to a Roth IRA. In addition, you may be eligible to make a transfer to another 403(b) plan. IRS rules on rollovers and transfers are complex. Contact GuideStone for additional information about making a rollover or transfer from the Plan.

Benefit payment options

Your Plan provides you with a variety of benefit payment options. You may choose from a single sum distribution, annuity payment, installment payments or a combination of these payments.

These options offer varying degrees of retirement income security for you and your family, and it is important that you understand them fully before you make your decision. The amount of your benefit is determined primarily by the value of your account at the time you retire. The value of your account will depend on the amount of contributions that have been made and their investment earnings. However, your accrued benefit under Plan A, if applicable, is based on a formula which takes into account factors including your salary basis, years of participation and the date benefits begin. (Benefits are reduced for early retirement.) Contact GuideStone to receive a retirement benefit estimate and brochures that will help you make your decisions.

Miscellaneous

Loans

You may be able to take a loan from the Plan. Please contact GuideStone if you have any questions about applying for a loan.

Consent of spouse

The Plan defines a spouse as a person of the opposite sex married in a civil or religious ceremony. The Plan does not recognize common-law or same-sex marriages for the purpose of spousal consent or for the purpose of defining a default beneficiary.

If you are married, you must acknowledge that you have discussed any withdrawal request with your spouse prior to the completion of a withdrawal application. In addition, notarized consent of your spouse is required in order to name someone other than your spouse as the primary beneficiary of your account.

Your default beneficiary is your surviving spouse unless you choose another beneficiary with the notarized consent of your spouse. Your spouse's consent to name another beneficiary cannot be changed, unless you change your beneficiary designation. Generally, in order for a minor to receive a death benefit, a probate court would have to appoint a guardian to receive and administer the property. You may prefer to provide for a minor by establishing a trust in your will (testamentary trust) and naming the trust as your beneficiary. Certain distribution options may not be available to a beneficiary that is a trust unless the trust meets certain requirements. If you need more information about naming a beneficiary, please contact GuideStone.

Divorce

In the event of a divorce, your former spouse, as defined by state law, may be awarded a portion of your account through a special court order called a qualified domestic relations order (QDRO). If you begin divorce proceedings, please contact GuideStone immediately so we can give you and your attorney information about the effect of divorce on GuideStone retirement accounts and fees that may apply.

Reports

A participant account statement is available that describes the value of your retirement income account. It is important that you let GuideStone know if your email or home address changes so you are sure to receive statements.

You have continuous access to these reports on your *MyGuideStone*® page on GuideStone's website.

Church Protection Benefit Program

In addition to the Southern Baptist Churches 403(b)(9) Retirement Plan, the Church Protection Benefit Program provides certain death and disability benefits to eligible persons serving eligible Southern Baptist churches. If you are a participant in the Southern Baptist Churches 403(b)(9) Retirement Plan and if your state convention makes contributions on your behalf, you may have protection benefits in addition to retirement benefits. Contact your state convention for details.

Disability income benefit

You may be eligible for disability income benefits, up to \$500 a month* (see footnote on next column), if you become totally disabled:

- While you are in active church service.
- After you leave active church service and you continue to have an account balance in the Plan or elect an annuity benefit payment option under the Plan.

The determination of disability made by your physician must be approved by GuideStone. If approved, the benefit will become effective as of the first day of the fifth month following your disability date. The first benefit payment will be made during the seventh month following your disability date. While you are receiving these benefits, up to \$35 will be credited to your account for retirement each month. In addition, the survivor protection benefit will be continued, and the state convention contribution will be

made for each month a disability income benefit is paid.

Disability income payments will be paid for a maximum of 60 months. A person becoming disabled in the month the person reaches age 65 or later will not be considered eligible for the disability income benefit.

Survivor protection benefit

If you are eligible for protection benefits and die, your beneficiary may be eligible for a survivor protection benefit if your death occurs:

- While you are in active church service.
- While you are receiving a disability income benefit.
- After you leave active church service and you continue to have an account balance in the Plan or elect an annuity benefit payment option under the Plan.

Your beneficiary may elect to receive a single sum or other form of approved benefit. The following table illustrates these benefits:

Your age at death benefit payable*	
35 and under	\$100,000
36-45	\$75,000
46-55	\$50,000
56-65	\$25,000
66-70	\$16,000
71 and over	\$10,000

* These benefit amounts are based on contributions by the state convention for each of the 12 months immediately preceding your death or disability. If state convention contributions have not been received for the full 12 months, the benefit will be proportionately less.

Contacting GuideStone

After reviewing this summary, if you have questions about your Plan, please contact us.

GuideStone Financial Resources, SBC

5005 LBJ Freeway, Ste. 2200

Dallas, TX 75244-6152

1-888-98-GUIDE (1-888-984-8433)

GuideStone.org

This Plan summary provides a synopsis of your Plan. In the event of a conflict or ambiguity, the Plan documents will always have precedence and control over the Plan summary.



5005 LBJ Freeway, Ste. 2200, Dallas, TX 75244-6152

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