



*"From Where I Sit ..."*

## **"Some Frequently Asked Questions about The CME Church 403(b) Plan (as Revised)"**

For sixteen years, the CME Church has sponsored a 403(b) Plan as a companion to the 12% Retirement Plan. Whereas, the 12% Retirement Plan is an employer paid or contributed plan, the 403(b) Plan was instituted as a plan to allow CME employees to make personal contributions to enlarge or increase their overall retirement plans.

In the second article of this series, written in May of 2011, entitled "403(b) ~ Savings Plan ... 'You Can Have It Your Way!'" I cited that of the 1,300 persons in the 12% Retirement Plan only five persons had been enrolled in the 403(b) Plan. Of those five, only two had continued to participate in the Plan as of that date.

Earlier this year the CME Church, through the General Board of Personnel Services, began rolling out a revised and improved 403(b) Plan with a broader structure and a more modern platform. The initial announcement was included in a letter that accompanied the December 2014 12% Retirement participant statements and stated,

*"Effective April 1, 2015, the [CME Retirement] Plan will roll out a new 403(b) Plan with "The Principal Financial Group" to replace the former program. This plan, which will include pre-taxed and after-taxed contributions, will be offered to all [active] participants in the CME Retirement Plan who receive W-2 earnings. Invitational letters to participate will be forth coming and e-blasts will be sent electronically."*

A month ago, I received a call from a member of an annual conference Committee on Examination inquiring if there were any FAQ's (frequently asked questions) about the revised 403(b) Plan that her committee might consider including in a study and test format for probationers. Due to the newness of the Plan, I informed her that I would include some FAQ's in this June article which would also be available online. Following are some of the FAQ's:

- What is the CME 403(b) Retirement Plan?
  - It is a retirement savings plan offered to active participants in the CME (12%) Retirement Plan who are employees and elect to have "employee" contributions deducted from their payroll checks on a pre-tax (tax deferred) or after-tax (Roth) basis.
- How does the CME 403(b) Retirement Plan work?
  - Contributions deducted from the employee's payroll checks are forwarded to the General Board of Personnel Services who in turn submits those payments to the designated investment company. The employee directs the investments and chooses the allocations. On a pre-tax basis, the amounts deducted are not included in Box 1 of the employee's IRS Form W-2 (Wages, Tips, Other Compensation).
- What financial management company is currently being used?
  - Beginning April 2015, the management holding company is the Principal Financial Group ([www.principal.com](http://www.principal.com)).
- How frequently can I monitor or update my 403 (b) account?
  - The revised plan is computerized and individual account activity is available online on a 24-hour basis.
- What information is available about this Plan?
  - The Principal Financial Group has prepared a 56-page informational guide especially designed for the CME Church which fully details the purposes

for participation, the method of choosing investment options and the enrollment process including simplified worksheets. The booklet also includes the ERISA 404 Retirement Plan and Investment Information.

- What is the formal name of the Plan?
  - Christian Methodist Episcopal Church 403(b) Plan (4-61865).
- What is the roll-out schedule?
  - The roll-out schedule will include three phases with the final phase to be implemented this Fall shortly after the Annual CME Unity Summit.
- Regarding eligibility, who is an “active” participant in the CME Retirement Plan?
  - An active participant in the CME Retirement Plan is a participant for whom a contribution has been submitted to the CME Retirement Plan by his/her employer during the current or past year.
- Do I have to be a minister to participate?
  - No. The CME Retirement Plan (and this companion 403(b) Plan) has voluntary enrollment opened to at least 18 year old lay “employees” of the CME Church at any of its levels. This includes secretaries, custodians, van drivers, musicians, etc.
- As a minister, do I have to be in full connection to participate?
  - No. Any minister ordained or not ordained who is at least 18 years old and has pastored at least one year is eligible to participate in the CME Retirement Plan and therefore the CME 403(b) Plan.
- Are there limits on how much can be contributed?
  - If you are under 50, the maximum contribution is \$18,000 for 2015. If you are 50+, an additional \$6,000 (known as catch up) may be contributed for a total of \$24,000 for 2015. Your total contribution may not exceed your total income from the employer who is making your deductions. [Note: If you have other “personally contributed” investments, you should consult a financial advisor or tax specialist regarding your maximum contributions.]
- In an emergency, can I borrow from this account?
  - Yes. You can borrow up to 50% of the account balance although the number of times you can borrow during any one year is limited. Loans can be processed online.
- If I choose to enroll in the 403(b) Plan, is there a financial advisor who can help me with my decisions?
  - Yes. All participants in the 403(b) Plan will have access to a confidential financial advisor with Wells Fargo Advisors. (Note: The advisor is not a member of the CME Church.)

Space limits the number of FAQ’s included in this article, but clearly this description of the revised plan speaks to the improvements that have been attained. In fact, during 2015 with only word of mouth communication, enrollment has increased from two to five participants and the dollar value of contributions deducted each month has tripled. With over 1,000 participants yet to be reached, it would appear that this Plan has the potential to experience significant growth. And the best part is that CME participants will be saving even more for their retirement. Or at least that’s the way it looks to me ...

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*(Copies of earlier articles may be found on the*

*Personnel Services Webpage of the CME Website at [www.thecmechurch.org](http://www.thecmechurch.org))*