

FORM 20: EMPLOYER ADOPTION AGREEMENT — Instructions

Keep a copy of the Employer Adoption Agreement on file and send a copy to FCMM.

The Employer Adoption Agreement (Form 20) serves as a cover letter to the full FCMM Plan Document (Form 30) available online at www.fcmmbenefits.org. The agreement and the plan document together serve as the employing ministry's legal retirement plan document. The employer must keep the Employer Adoption Agreement current in terms of the kind of retirement benefit provided. The IRS requires the employer to clearly communicate this benefit to its employees. The IRS further requires the employer to administer retirement contributions as adopted and communicated to employees. Failure to do so may result in significant penalties.

As a 403(b)(9) church plan, the FCMM Retirement Plan permits an employer to establish classes of retirement benefits. This flexibility allows the employer to acknowledge the diversity of staff members and provide appropriate, and sometimes varied, benefits to recognizable classifications of employees. However, the IRS requires that employees identified within a certain category all receive the same benefit. Failure of the employer to follow adopted benefits may result in penalties and fines.

Classes of employees should be established by objective criteria such as type of role, longevity, or other data. Classes should never be established based on specific individuals (i.e. Do not list names). Every employer will have at least one Contribution Class, Class #1: Salary Deferral Eligible Only. **Default Eligibility:** Unless an employer specifies otherwise, any employee who is scheduled to work at least twenty hours a week or 1000 hours a year is eligible to participate in the plan.

The checklist below should help you in completing the agreement.

- Read the Agreement carefully.
- Include any retirement plan terms that are unique to your church or organization.
- Complete an Employer Contribution Class description for each Employer Contribution Class. Make additional copies of page 3 as needed. Every employer will have at least one class.
- Any qualified church/employer official can sign.
- Notify employees of eligibility to receive retirement benefits including the ability to make salary deferral contributions. A sample notice of **“Right to participate in the FCMM 403(b) Retirement Plan”** can be Requested by contacting FCMM.
- Follow the instructions on the final page for enrolling employees.
- Keep a copy of the Agreement on file.
- Submit a copy of this Agreement (pages 1-4) to FCMM.

For questions regarding this agreement, contact the FCMM office at (800)995-5357 or fcmm@fcmmbenefits.org.

IMPORTANT: The employer must keep the Employer Adoption Agreement current in terms of the kind of retirement benefit provided and must administer retirement contributions as stated in the Agreement. Failure to do so could result in significant IRS penalties.

FORM 20: EMPLOYER ADOPTION AGREEMENT

_____, hereby elects to
Name of Employing Church or Organization

participate in the Free Church Ministers' and Missionaries' (FCMM) Retirement Plan and agrees to remit to the Trustees of FCMM employer and/or salary deferral contributions for certain employees of the named church or organization. Employ^{ER} contributions may be made annually, semi-annually, quarterly, monthly, or per pay period. Employ^{EE} salary deferral contributions must be made *at least monthly*.

The individual terms and conditions of this Adoption Agreement are incorporated by reference into the FCMM Retirement Plan and together are intended to satisfy the plan documentation requirements of section 403(b)(9) of the Internal Revenue Code and the Treasury regulations thereunder for this qualified employer. The FCMM Plan must serve as the sole active retirement plan of the adopting employer.

FCMM provides the Retirement Plan to eligible churches (including associations of churches, such as EFCA districts) and qualified church controlled organizations (QCCOs). A QCCO adopting employer must also submit Form 26 QCCO Certification for review and approval.

The FCMM Retirement Plan is an employer plan that receives contributions to participant accounts submitted by employers *only*. The amount may include either employer contributions or employee salary deferral contributions, or both. These contributions shall be limited by IRS Code sections 402(g) and 415(c) (see last page).

This agreement shall continue in force and effect until:

- a) FCMM receives a new Employer Adoption Agreement, which automatically supersedes the previous agreement on file; or
- b) A written notice of cancellation of this agreement is received by FCMM, specifying a date at least thirty days from the date of the notice in which Plan participation will cease; or
- c) Revocation by FCMM of the employer's qualified status/eligibility to participate in the Plan; or
- d) Termination of the FCMM Retirement Plan by FCMM.

Employer contributions for the named church or organization will be determined based on the information adopted for the following Employer Contribution Classes. Contributions indicated as a percentage must be based on compensation. FCMM defines **compensation** as consisting of *the participant's salary plus housing allowance and any other amounts which are excludable from gross income* under sections 125, 132(f), 402(e)(3), 402(h), 403(b), or 457(b) of the IRS Code. See the FCMM Plan Document for more detailed information. Compensation may also, at the discretion of the employer, include additional taxable amounts paid to the Member (bonuses, allowances, etc.).

OPTIONAL: Terms Unique to this Adopting Employer (applies to Employer Contribution Classes)

CONTRIBUTION CLASS DESCRIPTION(S)

All employers must complete the Salary Deferral Eligible Only Class. To add separate Classes outlining the specific benefit provisions for other groups of employees, complete the blank Class sections supplied on pages 2 and 3. Make copies of page 3 if needed.

CLASS #: 1 (REQUIRED) - Salary Deferral Eligible Only



Salary Deferral Class: Per the FCMM Retirement Plan Document, FCMM has *established eligibility criteria* for an employee's participation in the Plan. At a minimum, this default eligibility permits **an employee scheduled to work 20 hours or more per week OR 1000 or more per year to enroll and participate in the FCMM Retirement Plan by contributing voluntary Salary Deferral Contributions on a Pre-tax and/or Roth basis.**

ALL eligible employees must be informed of their right to participate in the Plan via voluntary salary deferral contributions. Per IRS rules, Salary deferral contributions must be sent to the Plan *at least monthly*.

CONTRIBUTION TYPE

- Salary Deferral:** Participants of this Class are limited to making voluntary salary deferral contributions to the Plan through payroll deductions on a Pre-tax and/or Roth basis.

ELIGIBILITY - All employees meeting the work hours stated below are eligible to participate in the Plan via salary deferral contributions.

- Plan Default:** All employees scheduled to work at least 20 hours/week or 1000 hours/year.
- Other (Overrides Plan Default):**

WAITING PERIOD

- PLAN DEFAULT:** Immediate upon employment
- First day of month after start of employment
- First day of month after completing 3 months of employment
- Other:

VESTING – All contributions are 100% vested (fully credited to the benefit of the participant and not subject to forfeiture). FCMM does not allow delayed or partial vesting of remitted contributions.

Use the following templates to establish Classes for employees also eligible for **Employer and/or Matching** contribution arrangements.

CLASS #: 2 Description: _____

Check here if additional information appears in Terms Unique (p.1)

ELIGIBLE CONTRIBUTION TYPE(S)

(Percentages based on compensation that includes housing allowance)

- Employer Contribution** – Express as either a % or \$
 - o 10% o 5% o _____%
 - o \$ _____ Per Pay Period o \$ _____ Monthly
 - o \$ _____ Quarterly o \$ _____ Annually
- Employer Match of Employee Contribution***
 - o Match 100% of employee contribution **up to 6%**
 - o Match 100% of employee contribution **up to 3%**
 - o Match 50% of employee contribution **up to 6%**
 - o Match _____% of employee contribution **up to _____%**
 - o Match _____% of employee contribution **up to \$ _____ annually.**

Frequency of Match Payment

- o Per pay period o Monthly

ELIGIBILITY

- Employees scheduled to work at least 20 hours/week or 1000 hours/year
- Other:

WAITING PERIOD

- Immediate upon employment
- First day of month after start of employment
- First day of month after completing 3 months of employment
- Other:

VESTING – All contributions are 100% vested (fully credited to the benefit of the participant and not subject to forfeiture). FCMM does not allow delayed or partial vesting of remitted contributions.

- Employee Salary Deferral Contribution***

*Per IRS rules, employee contributions must be paid to the Plan *at least monthly*.

CONTRIBUTION CLASSES – Continued

CLASS #: _____ **Description:** _____

 Check here if additional information appears in Terms Unique (p.1)

ELIGIBLE CONTRIBUTION TYPE(S)

(Percentages based on compensation that includes housing allowance)

Employer Contribution – Express as either a % or \$

- 10% 5% _____%
- \$ _____ Per Pay Period \$ _____ Monthly
- \$ _____ Quarterly \$ _____ Annually

Employer Match of Employee Contribution*

- Match 100% of employee contribution **up to 6%**
- Match 100% of employee contribution **up to 3%**
- Match 50% of employee contribution **up to 6%**
- Match _____% of employee contribution **up to _____%**
- Match _____% of employee contribution **up to \$ _____ annually.**

Frequency of Match Payment

- Per pay period Monthly

Employee Salary Deferral Contribution*

*Per IRS rules, employee contributions must be paid to the Plan *at least monthly.*

ELIGIBILITY

- Employees scheduled to work at least 20 hours/week or 1000 hours/year
- Other: _____

WAITING PERIOD

- Immediate upon employment
- First day of month after start of employment
- First day of month after completing 3 months of employment
- Other: _____

VESTING – All contributions are 100% vested (fully credited to the benefit of the participant and not subject to forfeiture). FCMM does not allow delayed or partial vesting of remitted contributions.

CLASS #: _____ **Description:** _____

 Check here if additional information appears in Terms Unique (p.1)

ELIGIBLE CONTRIBUTION TYPE(S)

(Percentages based on compensation that includes housing allowance)

Employer Contribution – Express as either a % or \$

- 10% 5% _____%
- \$ _____ Per Pay Period \$ _____ Monthly
- \$ _____ Quarterly \$ _____ Annually

Employer Match of Employee Contribution*

- Match 100% of employee contribution **up to 6%**
- Match 100% of employee contribution **up to 3%**
- Match 50% of employee contribution **up to 6%**
- Match _____% of employee contribution **up to _____%**
- Match _____% of employee contribution **up to \$ _____ annually.**

Frequency of Match Payment

- Per pay period Monthly

Employee Salary Deferral Contribution*

*Per IRS rules, employee contributions must be paid to the Plan *at least monthly.*

ELIGIBILITY

- Employees scheduled to work at least 20 hours/week or 1000 hours/year
- Other: _____

WAITING PERIOD

- Immediate upon employment
- First day of month after start of employment
- First day of month after completing 3 months of employment
- Other: _____

VESTING – All contributions are 100% vested (fully credited to the benefit of the participant and not subject to forfeiture). FCMM does not allow delayed or partial vesting of remitted contributions.

FORM 20: EMPLOYER ADOPTION AGREEMENT (Page 4)

The adopting church or employing organization listed below, by executing this Adoption Agreement, hereby agrees to the terms, provisions, and conditions of the Plan, as it may be amended from time to time, and as supplemented by this Adoption Agreement.

It is agreed that the Plan will be amended only by the Trustees of FCMM. However, the adopting church or employing organization may from time to time change the options available to it under the Adoption Agreement, including the right to change the provisions of this Agreement as they relate to future employer contributions. Any such change must be reported by filing an amended Adoption Agreement.

The adopting church or employing organization agrees to:

1. Monitor the calendar year contribution limits for all Employer contributions, salary deferral contributions, and age-based catch-up contributions. Contact FCMM for more information on these limits. The adopting employing organization is required to inform its employees of the annual contribution limits and to submit completed Salary Deferral Agreements for its employees to FCMM.
2. Calculate each Member's employer and employee contributions using the Plan's definition of Compensation, including, if applicable, additional taxable amounts paid to the Member that the adopting church/employing organization chooses to treat as Compensation.
3. Utilize the FCMM Retirement Plan as the sole active retirement plan of the employer, unless fitting an approved exception.
4. Remit salary deferral contributions to FCMM within a reasonable time for the proper administration of the plan. An example of a reasonable time is fifteen (15) business days following the month in which contributions are withheld from an employee's salary. The adopting church or employing organization understands that it must remit contributions within the required time periods prescribed by law, even if no invoice or reminder notice is provided to the adopting employing organization by FCMM.
5. Provide certain personnel information to FCMM upon an employee's termination of employment, retirement, death or disability. FCMM may request other information from the adopting employing organization at any time and for any reason in order to properly administer the Plan. The adopting church or employing organization agrees to cooperate with any information request from FCMM.
6. Notify all employees of their eligibility to participate in the FCMM Retirement Plan.
7. Make the Summary Plan Description (Form 38) available to all FCMM plan participants as a reference when questions arise about their 403(b) accounts.
8. Recognize FCMM as their agent for all matters involving this Plan and its participants.

When FCMM receives contributions, FCMM will credit such contributions to the FCMM Plan account for the employee(s) of:

_____ Name of Employing Organization	_____ Effective Start Date of this Agreement (Back-dating is <u>not</u> allowed)	
_____ Street Address	_____ Signature Church/Employer Official	_____ Today's Date
_____ City, State, Zip Code	_____ PRINT Name & Official Position of Signer	

! **REQUIRED***: _____
Name, phone, AND email of person within your organization who will be administering the retirement plan.

**See also, the included Form 28 to optionally add or update an authorized employer contact(s) for your organization.*

FORM 20: EMPLOYER ADOPTION AGREEMENT (Page 5)

NOTE: All participants must complete enrollment forms specifying their personal investment choices.

1. Enrollment Application (Form 01) – *required of all participants.*

This form has a section for both the employee and the employer to complete. On it, the employer specifies the employee class to which the participant belongs. An employer or church official's signature is required on this form.

2. Beneficiary Designation (Form 02) – *required of all participants.*

This form specifies who inherits the account upon death of the account holder.

3. Investment Selection Form (Form 03) – *required of all participants.*

This form indicates where contributions made on behalf of the employee will be invested. On this form, the employee specifies investment choices and can agree to a voluntary salary deferral contribution from his or her paycheck.

4. Supplemental Investment Selection Forms (Forms 04, 05, 06, and 07) – required for those investing in the Self-Directed Mutual Funds or the Adjustable Rate Investment through CIF.

- American Funds (Option F), complete Form 04
- Vanguard Funds (Option G), complete Form 05
- Biblically Responsible Funds (Option J), complete Form 07 and
- Adjustable Rate Investment through Christian Investors Financial (Option H), complete Form 06.

IRS CODE SECTIONS 402(G) AND 415(C) CONTRIBUTION LIMITS

The IRS limits the amounts that can be contributed to retirement plans annually.

- The **overall limit** [415(c)] is the total of employer and employee salary deferral contributions. *One's personal limit is capped at the lesser of the IRS stated dollar amount or his/her includible compensation (excludes housing allowance).*
- The employee **salary deferral limit** [402(g)] covers all pre-tax and Roth deferrals to all 403(b) and 401(k) plans.
- The **age 50 catch-up limit** [414(v)] allows Members who turn age 50 or older during the calendar year to make additional deferral contributions up to the catch-up limit.

For current year information, please visit the homepage of the FCMM website.

The FCMM Summary Plan Description is available at www.fcmmbenefits.org and should be made available to all FCMM plan participants as a reference when questions arise about their 403(b) accounts.

A copy of this form *must be kept at your location* for your records and sent to FCMM.

Submit this completed form to FCMM using one of the methods below, preferably using our secure file exchange.

Secure File Exchange:

<https://fcmmbenefits.leapfile.net>

Mail:

FCMM Benefits & Retirement
901 East 78th Street
Minneapolis, MN 55420

FORM 28 – DESIGNATION/REVOCATION OF EMPLOYER AUTHORIZED CONTACT

Use this form to authorize FCMM to discuss your organization's account with specific staff OR to stop an authorization.

Organization Name: _____ Org #/Church ID: _____
 (If unknown, contact FCMM)

Organization Address: _____
 Street City State Zip Code

1) _____

Employer Authorized Contact Name _____

Job Title _____

Email Address _____

Phone Number _____

Effective Date: ____ / ____ / ____

Authorized to Access:

____ Full Access: all applicable Retirement Plan & Benefit Plan account information

____ Partial Access (check all that apply):

____ Retirement Contributions & Remittances	____ Benefit Quarterly Invoices
____ Retirement Employer Forms	____ Benefit Employer Forms
____ Retirement Employee Enrollments	____ Benefit Employee Enrollments
____ Retirement Employee Terminations	____ Benefit Employee Terminations
____ Retirement Employee Update Forms	____ Benefit Employee Salary Update
____ Retirement Employee Contact Updates	____ Benefit Employee Contact Update

____ Cancel all authorized access ____ Other: _____

2) _____

Employer Authorized Contact Name _____

Job Title _____

Email Address _____

Phone Number _____

Effective Date: ____ / ____ / ____

Authorized to Access:

____ Full Access: all applicable Retirement Plan & Benefit Plan account information

____ Partial Access (check all that apply):

____ Retirement Contributions & Remittances	____ Benefit Quarterly Invoices
____ Retirement Employer Forms	____ Benefit Employer Forms
____ Retirement Employee Enrollments	____ Benefit Employee Enrollments
____ Retirement Employee Terminations	____ Benefit Employee Terminations
____ Retirement Employee Update Forms	____ Benefit Employee Salary Update
____ Retirement Employee Contact Updates	____ Benefit Employee Contact Update

____ Cancel all authorized access ____ Other: _____

On behalf of the organization listed above, I authorize FCMM to disclose the Plan information selected above to the individual(s) listed above. I understand as a result of this authorization, FCMM may rely on direction from the individual(s) listed above regarding respective FCMM related matters. FCMM shall take reasonable steps to ensure Plan information is only disclosed to persons authorized to receive such information, and shall not be held liable for information shared with unauthorized persons in good faith. Authorized contacts will remain in effect until an employer-authorized representative revokes or adds privileges by submitting a new form.

Employer Representative Name: _____ **Email Address:** _____

Signature: _____ **Date:** ____ / ____ / ____

Please submit this completed form to FCMM using one of the methods below, preferably via the **secure file exchange**.

Mail:
 FCMM Benefits & Retirement
 901 East 78th
 Street, Minneapolis, MN 55420

Secure File Exchange:
<https://fcmmbenefits.leapfile.net/>

A copy of FCMM's Privacy Notice can be found at fcmmbenefits.org

For FCMM Office use only

Org. #: _____ Received Date: _____ Processed by: _____