

News & Notes

Spring 2016

FCMM Now Accredited by ECFA

The ECFA (Evangelical Council for Financial Accountability) has announced accreditation of FCMM Benefits & Retirement.

ECFA accreditation is based on the ECFA Seven Standards of Responsible Stewardship™, including financial accountability, transparency, sound board governance and ethical fundraising.

FCMM joins Christ-centered churches and ministries across America, supported by over 27 million donors that have earned the right to display the ECFA seal. When an organization is accredited by ECFA, it demonstrates its willingness to follow the model of biblical accountability.



Enhancing Trust

Founded in 1971 as a trust of the Evangelical Free Church, FCMM assists ECFA and like-minded churches and ministries to provide benefit programs for their staff. In 2012, FCMM separately incorporated as a best practice for fiduciary responsibility. The IRS recognized FCMM as a 501(c)(3) charitable organization on its own in 2015.

ECFA, founded in 1979, provides accreditation to leading Christian nonprofit organizations that faithfully demonstrate compliance with the ECFA Standards pertaining to financial accountability, fundraising and board governance. For more information about ECFA, including information about accreditation and a listing of ECFA-accredited members, visit www.ECFA.org.

What Should I Be Contributing Toward Retirement?

Both church staff and church leaders frequently ask what a person should be putting away to achieve adequate retirement provision. As with all other things in life, it depends on factors specific to the individual's circumstances.

But there are three key practices that are essential to funding your lifetime.

Start early – Funds set aside in the first decade of a career can be four times as impactful as the same amount contributed to your retirement account in later years.

Save regularly – The regular, consistent practice of investing to fund your future income is usually more significant than any other aspect of investing. Recent national studies peg 15% of income as the rate at which most middle-income Americans should contribute to retirement accounts over a 40-year career (combined total of employer contributions and employee salary-deferral contributions). Church employers can provide incentives by adding a matching percent above a base contribution. For example, making a 5% employer contribution and adding a 100% match for employee salary deferrals up to 5% would result in a 15% rate when the employee maximizes the match.

Increase the rate of saving over time – Few of us start with the ability to set enough aside, so we need to practice increasing our contributions regularly. For example, bump up your rate by a percentage point when your salary increases to move towards that 15% goal. While there are annual contribution limits (see FCMM website), qualified retirement plans like FCMM allow a higher limit “catchup” for those age 50 and above.

ECFA accreditation is based on standards of accountability, transparency, sound board governance, and ethical fundraising.

“We are pleased to accredit a ministry committed to serve as the benefits organization of the Evangelical Free Church of America,” said Dan Busby, president of ECFA.

FAQ'S



Q: *Our church currently utilizes a 401(k) or 403(b) plan rather than FCMM Retirement Plan. How would we switch to FCMM?*

A: There are various reasons EFCA churches make the decision to move to FCMM's 403(b)(9) church plan from another plan, including reducing administrative and compliance costs, increasing flexibility, providing more investment options, and enabling clergy housing allowance designation for retirement distributions. But we've found that each transition has unique factors that must be accurately addressed to avoid potential restrictions. Please contact Karen Giles (karen.giles@fcmmbenefits.org) to review your current retirement plan and explore both the benefits and the steps for transferring.

Q: *I'm a new pastor and I've heard that opting out of Social Security could save me a lot of money.*

A: Please seek experienced counsel before making this irrevocable choice. The IRS permits clergy to exempt themselves from coverage if they are credentialed, if they follow the steps of filing Form 4361 within their first two years of ministry, and if they certify conscientious religious objection to accepting public insurance benefits (which include retirement, disability, medical care, and survivor benefits). The exemption is not valid for economic reasons (such as "I can do better" with the money) or for political reasons. Contact Jerry Rich (jerry.rich@fcmmbenefits.org) if you have questions.

Announcing Staff Addition for Advising

FCMM has added **Jeff Englin** to our staff as Manager of Advisory Services. He comes to us from the Alliance Benefit Group where he has advised participants in several employer retirement plans.

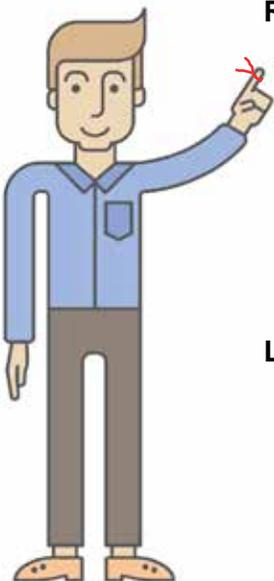


Since 2008, FCMM has provided limited access to Jeff for consultation at no charge. But now he will give full-time service to FCMM participants. Jeff can provide assistance in determining which investment options may best fit a participant's goals. He is familiar with all of the Retirement Plan's investment options and can give perspective on planning considerations that help participants "prepare today, (be) ready tomorrow."

Jeff is credentialed as an Accredited Investment Fiduciary® and has served as a wealth management consultant with expertise in investment advising. Contact him at jeff.englin@fcmmbenefits.org.

Reminder: Forms to Keep Up-To-Date

Participants in FCMM benefits programs should review and update essential forms as needed. We suggest you keep a copy of each in your personal file. Forms may be downloaded from the FCMM website.



Retirement Plan

- Form 02 Beneficiary Designation – Update when family changes occur (i.e. upon addition or death of a beneficiary, modification of estate plan, name change of a beneficiary). Remember that your retirement account beneficiary designation supersedes a will bequest.
- Form 01A Reallocation of Employer Contributions – Update to notify FCMM of a change in employer or a change in how you want to invest your employer's contributions among FCMM's Options. (Form 03 Salary Deferral Agreement is used to change allocation of employee contributions.)

Long Term Disability & Term Life/AD&D Insurance Plan

- Form 102 Beneficiary Designation – Covers term life insurance beneficiaries. Update when family changes occur. Life insurance beneficiary designation supersedes a will bequest.
- Form 103 LTD Salary Worksheet & Information Change – Accurate and current salary information is essential to be on file for full benefits in the event of a disability claim. Update salary information when a change in compensation occurs.

