

**Benefit Plan Reminder!**  
Open Enrollment  
Starts October 15!  
Look for details on our  
website and in the upcoming  
Fall 2021 News & Notes

# News & Notes

Summer 2021

## When It's Time to Start Receiving Retirement Income: The Forms of Distribution Available From Your FCMM Retirement Account

Your FCMM Retirement Plan allows several methods for receiving your accumulated funds. The contributions you and/or your employer made over the years can be taken as income distributions (after minimum age of 59 1/2) to provide for your living expenses in later years.

A form of FCMM distribution that is often chosen is the Monthly Income Benefit (MIB), often referred to as an “in-plan annuity”, which converts a sum of money in your retirement account to a level payout each month. The MIB (“annuity”) can be used to provide consistent retirement paychecks to you and, if you choose at the time of starting the annuity, to your surviving spouse. See Form 36 Monthly Income Benefit and Annuity Descriptions in the Forms & Documents section of the FCMM website for more information.

While many retirement plans don't offer such an in-plan annuity, the FCMM Plan has long offered this option. And

it's not just available for Option C (the Lifetime Fund), but for any funds in any investment Option of FCMM. You may take any sum of money from one or more Options to fund a MIB. (For more information on details of Option C withdrawal distributions versus conversion to MIB, see the article “Understanding Option C” at the FCMM website.)

The MIB offers level income, but it does not provide cash liquidity outside of monthly payouts; once an amount is converted to an annuity there is no cash balance. For that reason, some participants prefer to “self-annuitize” by requesting recurring cash withdrawals to meet income needs. Each monthly payout reduces the cash balance, meaning there is no assured lifetime income since a person may outlive the resources. As long as a cash balance remains, a member may access it for one-time distributions as well.

When funds are not converted to MIB (“annuity”), they are

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## Navigating the move back to “normal”: Time to review your retirement plan administration



Since the start of the COVID-19 pandemic, employers and employees have experienced a period of rapid change – including the move to working remotely, procedural modifications, and shifts in staff responsibilities. While adjusting to changes in “standard operating procedure”, gaps in consistency and accuracy in the administration of your retirement plan can occur. As your organization transitions back toward more familiar day-to-day operations, it would be wise to evaluate your practices and procedures for compliance. FCMM provides a list of “best practices” as well as an Operational Compliance Checklist within our Employer Guide (Form 21) to assist with the compliant administration of the Retirement Plan. If upon review of these resources an error is identified, please contact FCMM Client Services and we will support you in the process to get things back on track.

The FCMM Employer Guide (Form 21) is available for download from [fcmmbenefits.org](http://fcmmbenefits.org).

## Forms of Distributions Available

Cont. from p.1

subject to IRS rules for Required Minimum Distributions (RMDs). (See the article “Required Minimum Distributions – Update 2021” for more information about RMDs.) If recurring or other cash withdrawals don’t at least equal RMD calculations, then an additional distribution must be taken for the difference.

However, if you are employed at least half-time by an FCMM-participating church past the age of 72, you are not subject to RMDs until the year you leave that employment. For ministers whose contributions were made while

eligible for housing allowance, your distributions are designated by FCMM as housing allowance, subject to the normal IRS guidelines. This housing allowance benefit is available to the member but does not continue to beneficiaries including surviving spouse. See the article “The Housing Allowance Benefit in Retirement” for more information.

Funds that are rolled out from the FCMM Retirement Plan to other retirement accounts, including IRAs (Individual Retirement Accounts), typically lose the housing allowance benefit.

### Types of Retirement Distributions and Actions

- **Monthly Income Benefit (“annuity”)** – Request an income estimate by emailing [fcmm@fcmmbenefits.org](mailto:fcmm@fcmmbenefits.org) with the anticipated retirement date, no later than three months before that date.
- **Recurring Withdrawals** – Request Form 09R Recurring Cash Withdrawal by calling FCMM at (800) 995-5357.
- **One-time Withdrawal** – Request Form 09 Cash Withdrawal by calling FCMM at (800) 995-5357.
- **Annual Required Minimum Distributions only** – Respond to FCMM’s annual notice to you about your calculated RMD or allow it to be automatically sent.

### Recorded Workshop on Minister Tax Matters

If you’re new to clergy tax status or need a refresher, you can view an online recorded workshop by visiting the News & Articles section of the FCMM website. (You’ll find links at the bottom right of the home page.)

### Reporting Changes to Personal Information

To ensure your requested transactions and various account communications are timely, and to assist with keeping your FCMM account secure, it is critical that FCMM has an accurate record of your personal information. Changes to your name, marital status, contact information (i.e. address, phone, email), employer, as well as clergy status, should be reported to FCMM within 10 days.

FCMM does not request or accept changes to personal identifying information via email. For your security, we require our Members to contact FCMM Client Services directly via phone to verify identity prior to making changes. Some updates to personal identifying information require additional verification which will be communicated to you after authentication of your identity. Members are unable to update this information through their FCMM online account at this time.

Please note, even if you have notified the EFCA of changes, you must contact FCMM *separately*. To report a change in your personal information, please contact FCMM Client Services at 800-995-5357.

### Matching Grant: Coming to an End



The **Prepare Today** \$1,000 matching grant for pastors who newly enroll in the FCMM Retirement Plan has a limited duration until the funds allocated are depleted. If you are eligible for the grant program, be sure to apply and to complete your financial health course. See the article “Retirement Plan Offers Matching Program” at the FCMM website for more information.

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Retirement Plan: [fcmm@fcmmbenefits.org](mailto:fcmm@fcmmbenefits.org)

Long Term Disability Insurance, Payroll Service: [benefits@fcmmbenefits.org](mailto:benefits@fcmmbenefits.org)

FCMM serves as the church benefits organization of the Evangelical Free Church of America

