



News & Notes

Winter 2022-2023

Changing Investments within the Retirement Plan

A “how-to” for when you decide to shift your funds.

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While the strategy of “buy and hold” has proven to be a reliable principle over long time periods of investing – especially when the funds are well diversified – there may be junctures at which an FCMM Retirement Plan member decides to change the makeup of his/her funds.

Upon enrollment in the FCMM Retirement Plan, many of us make our initial investment selections based on our current situation or knowledge at the time. Later, we may learn more or team up with a financial adviser and decide to reallocate the funds.

For the long-term investor (which all of us are with our retirement funds) who invests in sound funds and realizes the cycles of the economy, such shifting should be infrequent and should never be done as a stock trader would handle “day-trading”. But when/if the time comes you want to make some changes, here is information that will help you accomplish the steps in your FCMM account.

Summary on FCMM Fund Options

Each grouping of investment funds in the FCMM Plan is given an Option letter, as follows:

- Option C – Lifetime Fund
- Option D – Stock Fund
- Option E – Bond/Income Fund
- Option F – American Funds (family of mutual funds)
- Option G – Vanguard Funds (family of mutual funds)
- Option H – Adjustable Rate Investment Certificate (Christian Investors Financial saving)
- Option J – Biblically Responsible Funds (mutual fund families of Timothy Plan and GuideStone)

All FCMM Fund Options have unique sets of investments...

Options C, D, and E have balanced investment portfolios and strategies that are managed by the FCMM Board of Trustees and institutional investment advisers.

Option H is a 403(b)(9) investment certificate offered by Christian Investors Financial.

Options F, G, and J are self-directed mutual funds, each comprised of many individual investment options within the

mutual fund family that the member independently selects.

More information on these Options can be viewed at the FCMM website, with a summary in Form 31 Investment Option Descriptions.

Future Versus Current Investing

When contemplating a change in where your money in the FCMM Retirement Plan is invested, one needs to consider whether the desire is to change where **future contributions** will be invested OR where **current funds** in the Plan are invested.

A change in investments respective to **future contributions**

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UPDATE: RMD Start Moves to Age 73

The Secure 2.0 Act, passed by Congress just before Christmas, includes a provision that moves back the required beginning date for Required Minimum Distributions (RMDs) to age 73 starting in 2023. That means that FCMM members who turn 72 in 2023 will not be subject to RMDs until the following year when they turn 73. However, any members who became subject to RMDs before 2023 must continue to take the required distributions.

Changing Investments

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modifies the destination for new contributions going forward.

An investment change pertaining to **current funds** “relocates” your funds already in the Plan to a different investment(s).

The appropriate steps to initiate these changes depend on if the change is occurring **across different FCMM fund Options** or **within a mutual fund family**.

Changing From one FCMM fund Option to Another

Changing FCMM Fund Option(s) for FUTURE Contributions
If you are only looking to change the FCMM fund Option where FUTURE contributions will be invested, this can readily be done by submitting a new *Form 03 Investment Selection for Retirement Plan (and Optional Salary Deferral)*. In Step 5, Part A of the form you will enter percentages for the Options* you prefer.

Transfer CURRENT Money Across FCMM Fund Options

If a member wants to move funds currently invested in one FCMM Option to another FCMM Option*, this can only be accomplished by submitting an Asset Transfer Election form.

Traditional pre-tax fund transfers are handled separately from Roth-designated funds.

* Notice that **Options F, G, H, and J require an additional form** to be completed if you are newly investing in those Options. Make sure to read the information on those additional forms and make selections where indicated.

♦ **Step 3 of Form 15 and Form 16 allows you to fine-tune your transfer election:**

By default, asset transfers will apply to all funds within the elected “Transfer From” Option(s). If you wish to isolate the transfer to only one fund type (e.g. employEE or employER money) you may do so under Step 3 of the form.

If your goal is to move *CURRENT* funds to a new FCMM investment Option AND to have *FUTURE* contributions invested in the same manner, you can also accomplish this under Step 3. By checking the box next to “Conform future...contributions”, new contributions to the Plan will also be invested according to the allocations in the “Transfer To” table.

- To transfer **pre-tax** funds, use **Form 15 Asset Transfer Election (Non-Roth)***.
- To request a transfer of **Roth** funds, complete **Form 16 Asset Transfer Election (Roth)***.

Investment Changes WITHIN a Mutual Fund Family Option

Transfer CURRENT Money Between Investments Within a Mutual Fund Family

Members investing in one of our Self Selected Mutual Fund Options (Options F, G, or J) can make investment changes within a mutual fund family *via their FCMM online account*. After logging in and selecting the FCMM mutual fund Option, one should click on the “Change My Investments” link and follow the steps under “Change My *Current* Account Balance”.

Changing Allocation for FUTURE Contributions Within a Mutual Fund Family

Members investing in one of our Self Selected Mutual Fund Options (Options F, G, or J) can make investment changes within a mutual fund family *via their FCMM online account*. After logging in and selecting the FCMM mutual fund Option, one should click on the “Change My Investments” link and follow the steps under “Change My *Future* Contribution Investments”.

For those who want investment changes within the mutual fund family to be applied to *both CURRENT money AND FUTURE contributions*, follow the steps under “Change Both My Future Investments & Current Account Balance”.

Additional Guidelines for transfers from Option C Lifetime Fund

Option C Lifetime Fund is unique in offering long-term strategy and “do it for me” simplicity, specifically structured to offer reliable value that can be fully converted to a Monthly Income Benefit (“in-plan annuity”) for which 100% of accrued value can be converted.

Alternatively, when taken as a cash value for other reasons (such as transfer to other investment Options or cash distributions or rolled out of the Plan), a fair market value adjustment (reduction) may be applied when accrued annuity value is greater than current portfolio market value of Option C.

Because of the long-term nature of the Lifetime Fund, invested funds can be transferred from Option C to other Options only once in a 12-month period.

