

FCMM Retirement Plan

Employer Guide



Contact Us: (800) 995-5357 • fcmmbenefits.org
FCMM • 901 East 78th Street • Minneapolis, MN 55420



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Welcome

Welcome to FCMM! You have adopted the FCMM 403(b)(9) Retirement Plan as the sole retirement plan for your organization. FCMM provides a retirement plan for EFCA pastors, staff, and missionaries, enabling them to develop a successful retirement life plan with a reliable source of retirement savings and income. As a participating employer in the FCMM Retirement Plan, you will need to become familiar with the responsibilities associated with this role. This packet is intended to offer guidance to you for administering the Plan accurately and efficiently. Please know, FCMM understands that you have many other duties outside of coordinating the retirement plan for the employees of your church/organization and we are here to help you along the way. As questions arise about FCMM and its processes, please reference this packet ***first***. If you have specific questions that are not addressed in the resources provided, please contact FCMM for further assistance. *The contents of the FCMM Employer Welcome Packet should not be construed as overriding the FCMM Plan Document or the provisions of your adoption agreement. Any conflict between this packet and the Plan shall be resolved in favor of the Plan, not the contents of this packet.*

Getting Started Checklist

- ☐ **Make Copies of Required Documents on to keep on File at Church/Organization**
 - Your Employer Adoption Agreement
 - FCMM Plan Document (Form 30)*
- ☐ **Distribute or make available FCMM's Summary of Important Plan Features (Form 38)***
- ☐ **Initiate Enrollment for Eligible Employees (Page 3)**
- ☐ **Prepare and Send your first contribution remittance (Pages 5-6)**

Steps to follow:

- 1) Review the *FCMM Contribution Remittance Form* included in this packet.
- 2) Refer to the *FCMM Guidance Page for Remittances* included in this packet if needed.
- 3) Direct any unresolved questions to remittance@fcmmbenefits.org
- 4) Mail first remittance *check* and *FCMM Contribution Remittance Form* to FCMM.


*All forms can be found on our website: fcmmbenefits.org/documents

Next Steps...


- ☐ **Review this Employer Guide in its entirety.**
- ☐ **Contact FCMM Client Services with any follow-up questions.**

HOW TO: INITIATE ENROLLMENT FOR ELIGIBLE EMPLOYEES


☐ Determine Eligibility based on the terms of your Employer Adoption Agreement.

-  Unless otherwise noted on your Employer Adoption Agreement, all employees scheduled to work 20 hours/week or 1000 hours/year are eligible to participate in the Plan.
- ☐ Note the Class # and its provisions for each eligible employee. (You will later record this on Form 01, STEP 5)




☐ Notify employees of their eligibility to participate in the Plan.

-  Review the “Annual Notice of Right to Participate” in this packet for a sample letter to use when informing part-time employees of their right to participate or opt out.
- ☐ Distribute notification of “right to participate” to each eligible employee
- ☐ Keep copy of “opt out” response(s).

☐ Download the FCMM Participant Enrollment Packet(s) from the FCMM website.

-  Always download the enrollment packet from the website (fcmmbenefits.org/documents) to ensure you are using the current version of the forms.

☐ Distribute the FCMM Participant Enrollment Packet(s) to the eligible employee(s).

-  Including a **completion “due date”** is recommended.
-  Advise that **additional form(s) are needed if an employee selects Option F, G, H, or J** and that those forms can be found on our website at <http://www.fcmmbenefits.org/documents>
-  **ALL** participating employees must complete the following forms found in the Participant Enrollment Packet:
 - ☐ Form 01 – Participant Enrollment Application
 - ☐ Form 02 – Participant Beneficiary Designation
 - ☐ Form 03 – Investment Selection Form

☐ Complete the Employer portion of the forms, respective to each employee.

- ☐ Complete **STEP 5 of Form 01**
- ☐ Complete **STEP 7 of Form 03**

☐ Review all the forms for completion.

- ☐ Do forms contain all required physical signatures? (FCMM does not accept electronic signatures)
- ☐ Are supplemental forms included for those investing in Options F, G, H, or J? (See STEP 5 of Form 03)




☐ Make copies of all completed participant forms to keep on file at your location.

☐ Send the completed enrollment forms to FCMM via “Secure File Exchange” as noted on forms or “USPS”.

☐ Prepare your **FIRST** contribution remittance – **REMINDER! Employee deferral contributions MUST be sent MONTHLY.**

- ☐ Review the **FCMM Contribution Remittance Form** included in this packet.
- ☐ Refer to the **FCMM Guidance Page for Remittances** included in this packet.
- ☐ Direct any unresolved questions to remittance@fcmmbenefits.org

☐ Mail first remittance check and FCMM Contribution Remittance Form to FCMM.

-  Before sending, confirm that your check amount matches the total amount of contributions listed on the remittance form.
-  For future remittances, a Contribution Remittance Form is available on our website or you may use the one FCMM sends with your receipt.
-  For information on eligibility for a “**One-time Annual Static Remittance**”, please email remittance@fcmmbenefits.org.

Note: You may request an editable Word.doc version of this letter by emailing fcmm@fcmmbenefits.org.
Highlighted text should be edited by employer to reflect current year and applicable terms.

Annual Notice (YYYY) of Right to Participate in the FCMM 403(b) Retirement Plan

To: <Employee name>

From: <Name of Employer Representative>

Date: <Date>

Re: Notice of your right to participate in the FCMM 403(b) Retirement Plan (the Plan) of <Employer name>

We are pleased to notify our employees of the availability of a 403(b) plan in which salary deferral contributions, including Roth contributions, can be made.

Employees that work **20 hours or more per week, or 1000 or more per year**, are permitted to contribute salary deferral contributions to our retirement plan with FCMM on a pre-tax or Roth basis. The salary deferral contributions will be deducted from your paycheck at the first payroll period following receipt of Forms 01, 02 and 03.

If you are interested in participating in the Plan, please complete the **enclosed enrollment forms** and return them to <Name>. FCMM's Form 31, which includes a list of investment options, can be obtained from <Name>, or on the FCMM website at www.fcmmbenefits.org/documents. If you would prefer to "opt-out" of making salary deferral contributions at this time, please complete the "opt-out" section at the bottom of this letter and return it to <Name>.

Generally, salary reduction contributions can be made in an amount up to the lesser of 100% of your includible compensation or the maximum amount determined annually by the IRS. Additionally, the plan permits catch-up contributions up to the IRS limit for employees that are age 50 or older in the current year. For specific amounts applicable to the current year, see the FCMM website or the IRS website.

Enrolling today gives you the best chance to meet your retirement income goals. The earlier you enroll, the more you can save. For more information on how to let time work for you, FCMM offers its participants, at no additional charge, investment counseling with their Manager of Advisory Services, Jeff Englin, AIF. He can be reached at jeff.englin@fcmmbenefits.org or (952) 853-1751.

Please be sure to consult with your legal or tax advisor before participating in the 403(b) plan. <Employer name> does not provide tax or legal advice.

Sincerely,

<Name of Employer Representative>

403(b) Opt Out Form - Applying to the YYYY Calendar Year

~Complete this section ONLY if you choose not to participate in the <Employer Name>'s 403(b) Plan~

This form serves as a notice to <Employer Name> that you wish to decline enrollment in the 403(b) plan at this time. Please complete the form, sign it, and return it to <Name>.

By checking this box and signing this form, you acknowledge the following:

- ☐ I have read the terms of participation in the <Employer Name>'s 403(b) Plan sponsored by FCMM and I decline enrollment at this time.

Employee Name

Employee Signature

Today's Date

Use this page as a guide for completing your remittance instructions. Descriptions of each contribution type are provided.

901 East 78th Street
Minneapolis, MN 55420-1300
(800) 995-5357 | remittance@fcmmbenefits.org

Return this page with your next FCMM contribution.
Request an electronic version by sending an email to remittance@fcmmbenefits.org

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Contribution Remittance Form

Please complete this form and send it with your first remittance to FCMM. You may also download a Contribution Remittance Form from our website (fcmmbenefits.org/documents).

Please use the *Guidance Page for Remittances* within this packet to avoid errors.

Please direct remittance questions to: remittance@fcmmbenefits.org or call (800) 995-5357.

Instructions:

- 1) Enter your **organization's name, address, city, state, and zip** in the fields provided.
- 2) Enter the **name** and **contribution amount** for each participant in the correct column. (Additional guidelines for completing this section are found within the FCMM Employer Guide.)
- 3) Record the **Subtotals** for each contribution type and the **Remittance Total** in the fields provided.
- 4) Record the **Check #**
- 5) Provide **your name** and **contact information**. FCMM will use this information to resolve any issues if necessary to ensure a timely deposit.
- 6) Mail the check, payable to FCMM, and this form to:

FCMM Retirement Plan
901 E 78th Street
Minneapolis, MN 55420

Contribution Remittance

Return this page with your next FCMM contribution.

Request an electronic version by sending an email to remittance@fcmmbenefits.org

Organization Name _____

Organization # _____

Address _____

City, State Zip _____

Depositor No.	Participant Name	Employer (\$) Contribution	Employee (\$) Pre-Tax Deferral	Employee (\$) Roth Deferral
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Subtotal Contribution(s)		\$ _____	\$ _____	\$ _____

*All employee salary deferral contributions must be sent **MONTHLY**. FCMM must receive these contributions no later than the 15th of the month following the month of payroll deduction.

TOTAL Contribution Remittance \$ _____

Check Date _____

Check # _____

Contact Name _____

Phone or Email _____

Best Practices

Establish Written Operational Procedures [Now]

It is extremely important that as the employer you establish a consistent and compliant internal administration of the retirement plan for your employees. Creating a checklist or document that details each task required to properly administer the Plan, as well as the associated timing of each task, will minimize errors that could create a situation of non-compliance and subsequent penalties imposed by the IRS . (See the Employer Operational Compliance Checklist on page 8). Having procedures in place will also help in the event of a staff transition.

Maintain Accurate Records

This Welcome Packet can be an effective training tool for persons who become responsible for the administration of the Plan in the future. Prior to sending a document to FCMM, always make copies to keep on file at your location. Keeping good records of Plan related documents and making note of your own internal best practices can make for a smooth transition for those who may succeed you in this role or for employees that have questions.

Review Your Adoption Agreement Annually

The provisions of your Plan are outlined in two places: Your *Employer Adoption Agreement (Form 20)* and the *FCMM Retirement Plan Document (Form 30)*. It is important that your practices conform to these documents (e.g. Class descriptions, employer contribution amounts, eligibility, etc.). If your practices do not mirror your written agreement, it is imperative that you submit a *new* Employer Adoption Agreement to FCMM reflecting the changes immediately.

Notify Employees Annually of Their Eligibility to Participate

Unless your Employer Adoption Agreement specifically denies part-time employees participation in the Plan, employees scheduled to work at least 20 hours/week or 1000 hours/year are eligible to, at a minimum, contribute via voluntary salary deferrals. See the “Annual Notice” in this packet for a sample letter to use when informing part-time employees of their right to participate or opt out.

Monitor Contribution Limits

IRS Retirement Plan Contribution Limits are updated annually. The IRS limits how much money can be sent to the Plan annually on behalf of an employee. The limits apply to both employee salary deferral contributions and employer contributions. It is important that you do not send more than that IRS allows. If the contributions we receive on behalf of a participant exceed the salary deferral limits for that year, it will result in the overage being sent back to the participant as *taxable income* in the year of receipt. See the FCMM website for annual contribution limits.

Forms and Documents

Always check our **website** for the most current forms and documents *each time* you need a form. Printing several copies and keeping them in a file for future use often leads to participants completing an outdated form that we cannot accept.

Review the “Employer Operational Compliance Checklist” Regularly

Participating employers in the FCMM Retirement Plan are accountable for compliantly administering the Plan for employees. This list is designed to provide a quick check-up of an employer’s operational practices and procedures. Reviewing the checklist regularly helps an employer to identify any errors and fix them quickly, mitigating the risk of extensive compliance failures.

FCMM Retirement Plan – Employer Operational Compliance Checklist

✓	Operational Area	Questions to ask regarding operational compliance	Suggested Action Items
	FCMM must be the sole retirement plan for your organization.	➤ Is your organization contributing to multiple retirement plan arrangements for your employees?	If your organization has multiple plans it is contributing to, please contact FCMM to determine the appropriate next steps to establish Plan compliance.
	Have established practices and procedures in place to facilitate compliance with IRS regulations.	➤ Do you have established practices and procedures in place to ensure your internal operations comply with IRS requirements? ➤ How do you ensure that these practices and procedures are consistently followed?	Establish written procedures and checklists, and scheduled review times, to avoid falling out of operational compliance. <ul style="list-style-type: none"> Regular review and notification of eligibility Checklist for enrollments/updates Checklist for remittance procedure Tracking contribution limits Annual review of Employer Adoption Agreement Method for calculating contributions
	Use the Plan's definition of "compensation" when calculating contribution percentages.	➤ Are you including/excluding any part of an employee's wages that is not in line with the Plan's definition of "compensation"? ➤ Did you know that you are to <u>include</u> Housing Allowance as part of compensation when calculating contributions for clergy?	Review the FCMM Plan Document's definition of compensation. <ul style="list-style-type: none"> Calculate all contributions using the Plan's definition of compensation. If you use a payroll provider, confirm it is using the correct definition of compensation. If you have been calculating contributions using an incorrect definition of compensation, contact FCMM to determine if a correction is needed.
	All eligible employees are either participating in the Plan or have "opt out" notices on file.	➤ Are you following the terms of your Employer Adoption Agreement regarding eligibility to participate? ➤ Have you notified employees of their eligibility to participate in the Plan? ➤ Have you kept a copy of "opt out" notices for those who have opted out of participation?	Review the requirements for eligibility within each Class listed in your Employer Adoption Agreement: Number of hours worked, waiting periods, and any unique terms. <ul style="list-style-type: none"> Do any employees fall into a new contribution Class (ex. Change from PT to FT)? If eligible employees have erroneously been excluded, contact FCMM to determine if a correction is needed. Include review of eligibility terms as part of on boarding process, changes in employment role/status, and treasurer transitions.
	Remit contributions <i>timely</i> .	➤ Are you sending employee contributions to the Plan <i>promptly</i> to ensure they can be deposited into the Plan within 15 business days after the end of the month in which they were deducted? ➤ Are you sending a new contribution remittance form each time you send a payment, including accurate: calculations, contribution type(s), payment date, check amount and corresponding check number?	Establish a set routine/procedure that ensures you send FCMM contributions and correct remittance instructions within the legal time period. <ul style="list-style-type: none"> Evaluate the timing of contributions made to the Plan. If you have not been sending funds to the Plan within the guideline, contact FCMM to determine if a correction is needed. Employers are responsible for delays in deposit due to inaccurate or missing contribution remittance forms. Remember to communicate the remittance procedure and guidelines to all parties involved in the remittance process. Some payroll services do not send contributions to Plan. Check with yours!
	Remit contributions in <i>correct amounts</i>	➤ Are you sending contribution amounts based on the terms of your Employer Adoption Agreement? ➤ Do you recalculate contributions when an employee's compensation changes ?	Calculate contributions based on the terms of your Employer Adoption Agreement. <ul style="list-style-type: none"> Review terms of the Class within your Employer Adoption Agreement that applies to each employee and the respective contribution arrangement
	Limit contributions to not exceed the IRC Section 415(c) limits.	➤ Are you making sure all contributions stay within the annual IRS limits ?	Regularly monitor the total amount sent to the Plan on behalf of each employee to avoid exceeding the IRS contribution limits. <ul style="list-style-type: none"> Total the employee and employer contributions per participant. Compare with the current year's dollar limit vs. includible compensation. See FCMM website for more information on annual contribution limits.
	Maintain a current Employer Adoption Agreement	➤ Does your operational practice mirror the terms of your Employer Adoption Agreement? ➤ Do you have a copy of your Employer Adoption Agreement (Form 20) and the FCMM Plan Document (Form 30) on file at your location?	Evaluate whether or not you need to change your practices or update your Employer Adoption Agreement. Communicate terms of the agreement to your treasurer and/or payroll provider. Review your Employer Adoption Agreement <i>no less than annually and during times of transition</i> to ensure it stays current: <ul style="list-style-type: none"> Budget time New employee Changes to an employee's hours or role Change in treasurer or payroll provider

Employer Completion of W-2 Regarding FCMM Retirement Plan Contributions

Type of Plan:

FCMM is a **403(b)(9) Retirement Income Account**

Contribution Types We Accept:

Tax-Deferred EmployER Contributions

- Non-Elective Employer Contributions = *Tax-Deferred* Benefit Contributions (**not** based on salary reduction contributions made by the employee)
- Employer Matching Contributions = *Tax-Deferred* contributions made in conjunction with Employee Elective Deferrals (Employee Elective Deferrals can be Pre-tax or Roth).

Elective EmployEE Salary Deferral Contributions (aka Voluntary Salary Reductions):

- *Tax-Deferred* (Pre-tax) Employee Elective Deferrals
- *Roth* (After-tax) Employee Elective Deferrals

Reporting Retirement Plan Contributions on Employee W-2's

- If any of the above contribution types have been made on behalf of the employee during the reportable tax year, "Retirement Plan" must be checked in Box 13
- EmployER contributions are not included in Box 1 or Box 12 of the W-2. The amount may be listed in Box 14 but it is not required.
- If the employee made salary deferral contributions from his/her paycheck, a *code* and the *total annual dollar amount* contributed must be entered into Box 12.
 - Use Code "**E**" for Pre-tax Elective deferrals under a section 403(b) salary reduction agreement.
 - Use code "**BB**" for Designated Roth contributions under a section 403(b) plan.
- The employee Pre-tax salary deferral amount is not included in Box 1.
- The employee Roth salary deferral amount is included in Box 1.

Form **W-2** Wage and Tax Statement **2023** Copy D — For Employer

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.

Box 12. 403(b) Elective deferrals (Code E) and 403(b) designated Roth contributions (code BB) are generally limited to a total of \$19,500 annually in 202. However, if the employee is at least age 50, the employer may have allowed an additional deferral of up to \$6,500. This additional deferral amount is not subject to the overall limit on elective deferrals.

E—Elective deferrals under a section 403(b) salary reduction agreement

BB—Designated Roth contributions under a section 403(b) plan

Recommended Resources for Churches & Clergy

Please note, the resources shown below are updated annually to reflect changes in tax laws and compliance.

Church and Clergy Tax Guide by Richard Hammar

Get a better understanding of U.S. tax laws as they relate to pastors and churches with the *Church & Clergy Tax Guide*; learn how tax laws apply to you, how to correctly report your federal income taxes and social security taxes, understand relevant exemptions, and reduce your tax liability as much as possible. You'll also find easy-to-understand charts and real-life illustrations.

Zondervan Minister's Tax and Financial Guide: For 2022 Returns by Dan Busby, CPA & John VanDruner, CPA

For years, ministers have trusted the *Zondervan Minister's Tax & Financial Guide* to save them time and money. This easy-to-understand workbook simplifies the tax code and offers dozens of tips to reduce your tax bill. The guide includes a line-by-line explanation of the 1040 Form as well as information on recent changes in the tax code

Church and Nonprofit Tax and Financial Guide: For 2022 Returns by Dan Busby, CPA & John VanDruner, CPA

The *Zondervan Church and Nonprofit Tax and Financial Guide* annual reference guide continues to be one of the few resources offering tax and financial advice to churches and nonprofit organizations. Issues of financial accountability, receiving and maintaining tax-exempt status, accounting for charitable gifts, and other crucial topics receive careful and full discussion.

Contact Us

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