



REMINDER!
Benefit Plan
Open Enrollment
for 2024
closes November 1

News & Notes

Fall 2023

The Secure 2.0 Act and FCMM Retirement Plan Updates for 2024

by Jerry Rich, FCMM Vice President

The Secure 2.0 Act, included in the Consolidated Appropriations Act of 2023, contained a number of measures for retirement plans that will take effect over the next few years, some of which will apply to the FCMM Retirement Plan. The most immediate change took effect this year – a year-later change in the required beginning date for distributions to the year an account holder turns 73. Following is a discussion of some other items for 2024.

Treatment of Student Loan Payments as Elective Deferrals for Purpose of Matching Contributions

An employer offering matching contributions may deem student loan payments to meet the employee matching criteria. Starting in 2024,

the FCMM Plan will allow an employer to implement the provision after an employer completes an updated Employer Adoption Agreement.

FCMM is developing guidance information for employers as to how the matching provision can be administered.

Delayed to 2026: Catch-up Contributions Must Be Roth-designated Deferrals Under Certain Conditions

Within the language of the Act, pre-tax salary deferral contributions (i.e. subtracted from taxable income on a W-2) are capped at the regular contribution limit, with age 50+ catchup deferrals to be treated as Roth-designated (i.e. included in

taxable income). BUT there are two other specific factors that will waive this requirement:

1. Applies only if income of the employee in the prior year exceeds \$145,000, and
2. Applies only if the employee earnings are “FICA” income.

Thus it appears that minister earnings would be exempt from income that is subject to the \$145,000 dollar limit, since ministers have dual status under the tax code that classifies their wages as self-employed “SECA” income, not as FICA wages.

Implementation of this provision has been delayed by the IRS to 2026 in guidance issued at the end of

Cont. on p.2

ALERT: State-Run Retirement Programs May Require Action by Your Church

by Karen Giles, Compliance & Plan Services

In an effort to broaden retirement program access to employees whose organizations do not offer an employer-sponsored retirement plan, several states have enacted legislation mandating employers to participate in state-run retirement programs. Largely, enrollment in these programs is required by a certain date, unless an

employer meets specific criteria for exemption.

Although approaches to these programs vary, the most common arrangement is the Auto-IRA. FCMM has reviewed Auto-IRA savings programs across several states that are in various stages of

implementation. Many states require employers to register their exemption. Upon request, FCMM can provide a letter of participation that can be used for exemption documentation.

See article, “Alert Regarding State-Run Retirement Programs” at the homepage of the FCMM website.

Looking to maximize 2023 contributions? Don't wait!



Occasionally, FCMM will receive calls in March or April from Members wanting to make a contribution to the Plan for the *previous* tax year in an effort to reduce taxable income. Unfortunately, by that time, it is much too late. Unlike with an IRA, for employee contributions to count toward the 2023 tax year in an employer plan, salary deferrals must be withheld by the employer before year-end. If a Member previously decided to contribute less than the IRS limits allow (\$22,500 in 2023, plus \$7,500 if age 50 or older), it may be possible to increase contributions by submitting a new salary deferral designation (Form 03) while there are still a few pay periods left in the year. If the Member only wants the salary deferral designation applicable to 2023, a new salary deferral agreement should be submitted for 2024. Employers: FCMM must receive employee salary deferral contributions deducted in December 2023 no later than January 5, 2024.

GuideStone's Christian Health Plans Available to FCMM/EFCA Churches

With GuideStone, it's possible to maintain biblical convictions on life and family while still experiencing quality coverage with a nationwide network and valuable built-in benefits! GuideStone's knowledgeable team members can help you find the right health plan for your needs and budget. Get started at [GuideStone.org/FCMM](https://www.GuideStone.org/FCMM).

2023 Distribution Request Deadline: December 11

Requests for cash withdrawal, rollout, or conversion of FCMM Retirement Plan funds must be received **no later than December 11, 2023**, to qualify as 2023 transactions and to be disbursed before end of year. To initiate a distribution, call FCMM Client Services at (800) 995-5357 to obtain the appropriate form. The FCMM staff member will ask some identifying information and then email the form to you.

Year End Reminder

Now is the time to provide the "Annual Notice of Right to Participate in FCMM 403(b)" to all eligible part-time employees. A Word doc. template is available upon email request to FCMM@fcmmbenefits.org. As a best practice, record any opt-out responses to personnel files. Please refer to the FCMM Employer Guide (Form 21) on our website for other best practices.



The Secure 2.0 Act

Cont. from p.1

August 2023.

At present, it appears that only a non-minister church employee earning more than the limit stated above would be subject to the Roth requirement for age 50+ catch-up deferrals.

Employers in the FCMM Retirement Plan would have to adapt to this mandatory provision or other guidance issued by the IRS between now and 2026.

Of course, a participating employee may choose to make any portion of salary deferral as Roth-designated and the employer must handle that Roth designation properly as includible in W-2 Box 1 income.

An Optional Plan Provision Not Being Implemented by FCMM: Employer Roth Contributions

The Act optionally enables retirement plans to allow employers, at the election of a participant, to treat employer contributions as Roth-designated. This provision would require classifying the employer contribution as additional taxable income (to be reported as such on the W-2 Box 1), increasing employer and employee FICA cost for non-minister employees and increasing SECA-taxable income for ministers.

FCMM will not be including this provision in the Retirement Plan.



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Retirement Plan: fcmm@fcmmbenefits.org

Benefit Plan (Disability Insurance, Life Insurance): benefits@fcmmbenefits.org

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