BENEFITS & RETIREMENT
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News & Notes

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Employer Adoption Agreement is Key Document for Employers

by Jerry Rich, FCMM Vice President

The FCMM Retirement Plan is an employer plan, meaning that an employing church or ministry organization decides whether – and how – to participate in the Plan. As with other 401(k) or 403(b) plans, only the employer can remit contributions to the Plan.

Those contributions may consist of employer contributions, employee salary deferral contributions (deducted from paycheck), and/or matching contributions where the employer matches up to a certain level of employee deferrals.

The Employer Adoption Agreement

The IRS requires these details to be spelled out in a document whereby the employer "adopts" the Plan as the organization's official retirement program. Since FCMM operates as a multiple-employer Plan, the employer needs only to participate according to the Plan's design, which is maintained by FCMM as a 403(b)(9) denominational Church Plan.

By completing the FCMM Employer Adoption Agreement (EAA) – Form 20, the organization agrees to operate under FCMM's Plan Document (Form 30), with the EAA customizing certain employer choices. Together, these documents comprise the compliant Plan under which the church provides the retirement benefit. The participating organization must submit the EAA to FCMM and also keep a current copy on file with local records.

The EAA form guides the employer through decisions regarding classes of employees, if desired. These classes may specify eligibility requirements for each class as well as levels of employer contribution. FCMM staff are available to advise for completion of the EAA.

Upon completion of the EAA and approval by FCMM, the

Cont. on p.2

Retirement Plan Contribution Eligibility: *What Employers and Participants Should Know*

by Karen Giles, FCMM Sr. Specialist - Compliance & Plan Services

The FCMM Retirement Plan accommodates a variety of contribution arrangements that can differ from one employer to the next — some provide a straight employer contribution, some match employee deferrals, some are deferral-only, and some combine contribution methods. Regardless of which arrangement applies, every eligible participant has the right to make salary deferral contributions. *Once eligibility is established, it's theirs to keep - even if their hours later drop below the threshold that originally qualified them.*

This means an employee who has met the eligibility requirements for participation in the plan maintains eligibility to contribute through salary deferrals, despite any subsequent changes in schedule.

Why this matters

The years when contribution opportunity may feel optional

Cont. on p.2

Employer Adoption Agreement

Cont. from p.1

employer can commence contributions according to those features. FCMM provides an Employer Guide (Form 21) to assist the organization in initiating and maintaining the Plan.

Making Changes

When an organization chooses to modify its retirement plan benefits, it is important to submit a new EAA that reflects the updated features. Please note that when an employer specifies a contribution by dollar amount, any change in that amount going forward must be listed in a new EAA form submitted to FCMM. When specified as ongoing percentage(s), the EAA does not need to be updated until new percentage(s) are offered.

Meeting Employer Requirements

Employers should take note of the agreements that are part of the EAA, including:

- Monitoring calendar year contribution limits for contributions as required by the IRS.
- Notifying employees of their eligibility to participate in the Plan, as they meet qualifications.
- Utilizing the FCMM Plan as the sole active retirement plan of the employer, which is necessary for proper IRS compliance by the Plan.

A church/employer offering a retirement plan must have a copy of the Plan Document and the Employer Adoption Agreement on file and be able to document that it complied with its provisions.

Eligible Organizations

As the church retirement plan of the Evangelical Free Church, FCMM serves electing EFCA congregations as well as ReachGlobal missionaries and EFCA national office staff.

Non-EFCA churches, such as independent congregations, may participate if not served by a denominational plan and after affirming common bonds of evangelical faith with the EFCA.

Ministry organizations meeting the IRS definition of Qualified Church Controlled Organizations may participate after certifying their status and affirming common bonds of evangelical faith with the EFCA.

Contribution Eligibilty

Cont. from p.1

are often the years that matter most. Every payroll period represents a chance to build toward retirement security. Taking advantage of the opportunity now, *even through modest contributions*, is rarely, if ever, something looked back on with regret.

The Employer's Role

Employers must remember to preserve this contribution access for their employees, ensuring they have every opportunity to save for retirement during their years of service.

As a best practice, employers are to notify eligible employees of their right to participate in the plan. FCMM provides a template (Form 27) on our website for this purpose. The template also includes an opt-out section for employees who choose not to contribute. This gives employers a simple way to document the notice and response, and to keep the conversation open.

If an eligible employee is not currently contributing or wishes to adjust their deferral amount, they can request to do so at any time using Form 03. Contact FCMM Client Services with any questions.

Benefit Plan Open Enrollment: Sep 15 - Nov 1

The annual open enrollment period for the FCMM Benefit Plan will be ***September 15 to November 1, 2026, for an effective start date of January 1, 2027.***

This is the **only** time during which participating **employers** may make changes to their Benefit Plan agreement, such as changing from Standard to Plus Plan, Life/AD&D coverage amount, payment method, or employee eligibility.

If you need assistance in reviewing your organization's Benefit Plan options, or if you are an employer interested in signing up for the Benefit Plan, please contact FCMM at benefits@fcmmbenefits.org or (800) 995-5357. See Benefit Plan in the Products & Services section of the FCMM website for more information.

(Please note, only the ***Benefit Plan*** has a specific open enrollment period. Enrollment and/or changes in the **Retirement Plan** may be initiated any time of the year.)