

SETTING UP EMPLOYEE-FUNDED RETIREMENT PLAN CONTRIBUTIONS

Key factors to consider

1. To be eligible, the employee must typically work more than 20 hours per week.
2. "Compensation" is defined as all employee compensation that is subject to income tax, with limited adjustments.
3. Employee contributions must be withheld directly from the employee's paycheck.
 - a. Church/employer ACH information is required to be submitted to the Willow Grove office via the Salary Deferral Election form.
 - b. Funds should be made available on a regular basis for transfer into the OPC 403(b) retirement plan on behalf of the participant.
4. Contributions can be made as traditional (pre-tax) or Roth.
 - a. Traditional: Contributions lower taxable income (pre-tax).
 - i. Ministers that make pre-tax contributions will not be required to pay self-employment Social Security/Medicare taxes on the portion of compensation that is contributed to the plan.
 - b. Roth: Contributions do not lower taxable income.
5. The IRS sets a limit dictating how much each employee may defer into his or her account. This limit changes each year, please check the CMC website or contact our Creative Planning advisory team for the updated limit. Employees with more than 15 years of service or those age 50+ may also be eligible for "catch-up" contributions. The IRS imposes separate limits for catch-up contributions, which will also be updated regularly on the CMC website or available by contacting our Creative Planning advisory team.

I attest that I understand the rules above for employee contributions and their impact on the participant's pay and W-2. I will adhere to these rules and will not allow employee contributions from my church unless these rules are followed.

Name of Participating Employer (Local Church Name): _____

Name/Title of Authorized Financial Representative (Treasurer): _____

Signature of Authorized Financial Representative: _____