

***Free Methodist Church  
of North America  
Defined Benefit Plan***



***What You Need to Know  
About Your Pension Plan***

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*This booklet is not a legal document.*

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# Will I Have Enough for Retirement?

Many workers assume that their financial needs in retirement will be provided for by Social Security and their employer pension plan. However, they are often dismayed to find out – too late – that these two sources alone aren't enough and that they either have to work during retirement (if health permits) or significantly lower their standard of living in order to survive. Don't be caught in this trap. Below is some simple but practical advice to get you started on the path to wise planning and financial independence.



Planning for financial independence at retirement can be illustrated by a three-legged stool. For a strong sturdy stool, you need three equal legs. These financial legs represent benefits provided by the government, benefits provided by your employer, and your own savings and investments.

How do you manage all three so that, when your days of regular work paychecks come to an end, you will still be able to be financially independent?

**Social Security:** This is the source of funding for the first leg of the financial stool. Social Security is more than just a retirement program. Along with retirement benefits, it also

provides benefits if you become severely disabled and can help support your family when you die. Benefits are based on years of work and average salary, and Social Security provides monthly income for life. You should receive a statement of your benefits each year. Visit [www.ssa.gov/mystatement](http://www.ssa.gov/mystatement) or call (800) 772-1213 for more information. Social Security benefits are not intended to be the only source of income when you retire, but should be considered a foundation on which to build your financial future.

**Pension:** The Defined Benefit Plan – the second leg of the stool – provides retirement income for pastors, conference personnel and employees of the World Ministries Center and Free Methodist Foundation. A contribution, based on a percentage of earnings, is made by the employer on behalf of the employee. The employee may not contribute. It is recommended that employees pay into a personal savings or investment plan. Pension benefit statements and estimates are provided regularly, and can also be generated by Human Resources upon request at any time to assist you with financial planning.

**Personal Savings and Investments:** Social Security and employer pension plans make up the majority of income for most retirees. However, these two by themselves often are not adequate to meet retirement income objectives. It's your personal responsibility to take care of the third leg of your financial stool. Fortunately there are many options available. Some are tax-favored such as 403(b), 401(k), SEP, SIMPLE, profit sharing, IRA and Roth IRA plans. These types of plans carry limitations on how much can be invested and when the accounts can be accessed. Others, such as CDs, mutual funds, stocks and bonds are not tax-favored and generally have no limitations. For more information about investments, see your personal financial advisor or contact Human Resources.

# Introduction to the Defined Benefit Plan

Since 1969 the Free Methodist Church of North America has provided a pension plan for pastors, superintendents, conference personnel, and employees of the World Ministries Center and Free Methodist Foundation. This plan was created for the exclusive benefit of church-related workers in the U.S. and their beneficiaries and is designed to help participants gradually build up a secure source of retirement income. The current pension plan (the Defined Benefit Plan) began in 1981.

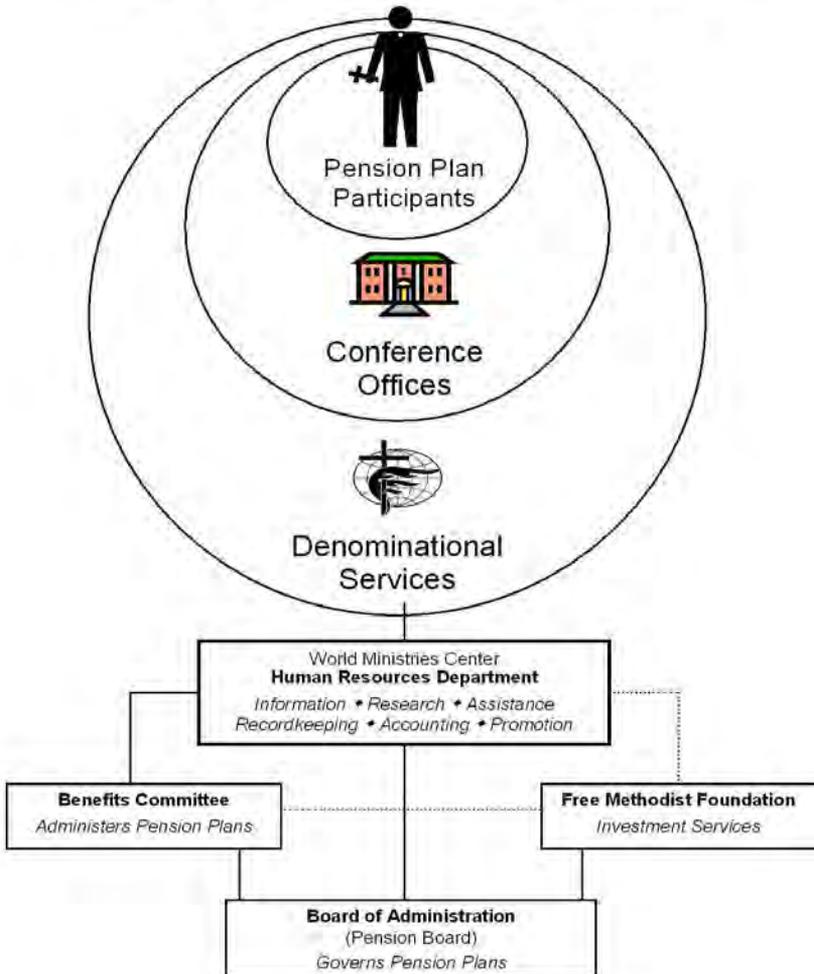
The Defined Benefit Plan offers each participant benefits based on a predetermined (defined) formula. This formula takes into consideration past years of credited service and final average monthly compensation (five highest consecutive years over your career) at your normal retirement date (age 65). Individual investment accounts are not maintained under this plan; therefore, the investments in a defined benefit pension fund are all working together in a pool. The Defined Benefit Plan is based on a promise to pay and takes the risk for investment performance whether it is good or bad. Careful monitoring by an outside actuary ensures accountability and that funds will be available to pay all current and future benefits.

Administration of the plan is the responsibility of the FMCNA Benefits Committee, which in turn reports to the FMCNA Board of Administration (BOA), the plan's governor. It is the goal of the Benefits Committee to keep in mind the participants' best interests and to continually improve benefits, as funds allow, for those who have served the denomination. Considering the input of the Benefits Committee, the BOA employs an actuary and the Free

Methodist Foundation serves as the investment manager to handle pension funds according to investment objectives.

The day-to-day management of the plan and related records is handled by the Human Resources office at the World Ministries Center. Human Resources staff members are available to serve participants with all questions and needs related to pension.

## FMCNA Benefit Plan Services



***Serving Those Who Have Served God's People So Faithfully***

# Benefits, Eligibility and Responsibilities

## *What does the Defined Benefit Plan offer?*

The primary purpose of the pension plan is to provide retirement income. The plan also provides benefits to the participant or beneficiary in the event of the participant's disability or death.

**Retirement:** The normal retirement date is the first day of the month coinciding with or following the participant's 65th birthday. Eligibility for benefits at retirement is governed by credited years of service and a vesting schedule; however, when a participant who is still serving reaches their normal retirement date (age 65) and has at least five years of credited service, the accrued benefit becomes 100 percent vested (see pages 11-12 for more information about credited years of service and vesting). Defined Benefit participants may elect to receive an early retirement benefit, which may be taken as early as the age of 60 if the participant is credited with at least 10 years of vesting service. The early retirement benefit will be equal to the accrued benefit reduced by a factor of 1/180 for each month that the benefit begins prior to the normal retirement date. A participant may also choose to defer the start of their retirement benefit past age 65 (which would increase the amount of the benefit). See the plan formula and options on pages 14-17 to get a better idea of how retirement benefits work.

**Retirement Benefit Statements:** Participants receive an annual statement that shows an accrued benefit to date and also projected benefits at ages 60, 62 and 65. Using the participant's current level of compensation, the calculation

applies current plan formulas to past service and projected future service until retirement age. Statements can be generated at any time by Human Resources upon a participant's request.

**Disability:** If a participant becomes disabled prior to early retirement date and while still an employee, he or she may be eligible for a disability benefit. The benefit can start as soon as the Human Resources office and/or Benefits Committee approve a certification by an approved physician stating the reason for disability. Payments will equal the accrued benefit calculated as of the termination date and will be reduced to allow for the early retirement factor. (If a separate disability benefit is offered by the participant's employer, it may be advisable to use that benefit so as to preserve the pension as a normal retirement benefit.)

**Death Benefit Before Retirement:** If a participant dies before retirement benefit payments begin, the designated beneficiary will have the following options:

1. A monthly benefit beginning at the participant's earliest retirement age – this benefit would be calculated as if the participant had retired and chosen the option that provides a joint and one-half survivor income. This



income would continue through the beneficiary's lifetime.

2. A payment of the lump-sum actuarial equivalent amount in lieu of the monthly benefit option. This benefit would be calculated using the participant's date of death and would assume the participant chose a joint and one-half survivor option.

**Death Benefit After Retirement:** If a participant dies after retirement benefit payments begin, a \$2,000 lump-sum death benefit will be payable to the surviving designated beneficiary or participant's estate. This is in addition to any benefits payable in the form of the monthly benefit option that was selected at retirement.

### ***Am I eligible to enroll in the plan?***

Employees are eligible for enrollment in the Defined Benefit Plan on:

1. Their date of employment by a qualifying annual conference or organization; or
2. The date the annual conference or organization which employs them becomes an affiliated organization under the plan.

***Effective January 1, 2008***, employees are eligible to be enrolled in the Defined Benefit Plan if they are receiving compensation and are one of the following:

1. An ordained, appointed Pastor to a local church or church plant, or a Superintendent of an annual conference, or
2. A Conference Ministerial Candidate appointed as a Senior Pastor to a local church or church plant, or
3. A person who is employed at least 25 hours a week, or who has worked full-time at least five months out of

each year and...

- a. Is employed as part of an annual conference staff and who receives compensation from an approved annual conference budget (all income generated by conference activities including allocations);
- b. Is an eligible employee of the World Ministries Center or the Free Methodist Foundation; or
- c. If such election is approved, any person employed directly by an approved organization or institution which elects coverage for its employees.

**All eligible employees are required to participate in the plan.** If an employee is serving a church in a part-time supportive position (such as a music director, youth pastor, visitation pastor) and the local church has elected not to extend benefits to the position, this person should not be appointed by the conference (the individual should not be listed on the conference appointment sheet). A contribution is payable on behalf of an employee only if that employee is appointed by the annual conference **and** receives a cash salary and/or housing compensation.

***Anyone who was eligible prior to January 1, 2008, will continue to be eligible for the plan.***

**When to Enroll:** New employees who are eligible for the plan should obtain an official enrollment form from Human Resources or their conference office, complete it, and submit it to Human Resources as soon as possible.

**New enrollments must be received by the end of the calendar year that employment began, or a late fee will be assessed to the conference or employer, which has the right to pass the late fee along to the employee if the employee was at fault.** Forms and instructions are available from Human Resources or can be found on the website, <http://hr.freemethodistchurch.org>, under the "Forms" tab, "Pension Enrollment Form".

## ***How is the plan funded?***

All contributions to the Defined Benefit Plan are made by the employer on the eligible employee's behalf and are based on the employee's total eligible compensation. As stated in the 2003 *Book of Discipline* (§ 4380 G), "Each United States church shall contribute to the support of the defined benefit pension plan in accordance with the rules and regulations of the plan. The contribution paid by the church shall be in addition to the pastor's earnings, not a deduction from them." Employees are not permitted to make contributions; if they wish to save further for retirement, they are encouraged to seek out a personal investment opportunity such as an IRA or 403(b) account.

**The Defined Benefit Plan contribution rate effective January 1, 2006 is 10.5 percent of any eligible participant's annual compensation.**

Simply defined, a pastor's compensation is base salary plus housing and effective January 1, 2006, includes social security. However, this is not always straightforward and there may be other factors to take into consideration. For a complete guide on how to report a minister's compensation for pension purposes, see the Pastor's Compensation Calculator on pages 22-24. There is no relationship between taxes, social security and pension with regard to reporting pastoral compensation – they are three entirely separate issues with three different sets of rules.

Note that, for low-income employees, there is a minimum contribution rate. Also, church plants are eligible for a discounted contribution rate until they reach fellowship status. For more information on these special rates, contact Human Resources, or check the Human Resources website, <http://hr.freemethodistchurch.org>.

## ***How many years do I have to serve in order to be eligible for benefits?***

Eligibility for benefits under the pension plan, as well as the amount of the benefit, is based on the credited service years, accrued benefit to date, and years of vesting service.

### ***Credited service***

**Credited service years** are defined as the total of the years since January 1, 1981, during which contributions were made to the Defined Benefit Plan on the participant's behalf.



### ***Accrued Benefit***

**Accrued benefit to date** refers to the accrued benefit that is *actually* earned to date and payable at age 65. Annual pension statements will note the employee's accrued benefit to date.

### ***Vesting***

**Years of vesting service** are defined as the number of complete 12-month periods, beginning with the hire date, during which employment is continuous. A **vested benefit** is that portion of an accrued benefit to which a participant has a non-forfeitable right. **A participant must have five complete years of vesting service in order to be eligible to receive any retirement benefit from the plan.** At the completion of five years of vesting service, a participant would then be eligible to receive 50% of the accrued benefit at age 65. For each year after five, the participant will

receive 10% more of the accrued benefit, until the individual completes 10 years of service, at which time they will be considered fully vested and will receive 100% of the accrued benefit at age 65.

If a participant terminates employment for reasons other than retirement, disability or death, that person's retirement benefit will be subject to the vesting schedule. It is important to note that if an employee reaches the age of 65 and has at least five years of credited service, dies or becomes disabled *while still employed* but before becoming fully vested, as shown in the vesting schedule, they will automatically become fully vested.

### **Defined Benefit Plan Vesting Schedule**

<b>Years of Vested Service</b>	<b>Vested Percent of Accrued Benefit</b>
Less than 5 years	0%
5, but less than 6 years	50%
6, but less than 7 years	60%
7, but less than 8 years	70%
8, but less than 9 years	80%
9, but less than 10 years	90%
10 or more complete years	100%

### ***How do I keep my pension records current?***

With frequent pastoral moves and compensation changes, it can be difficult for the Human Resources office to obtain the necessary data to keep pension records up to date. But it's very important that the records be kept accurately so that at retirement, each pastor receives a full benefit and with no time delays for research should salary history prove inaccurate.

Human Resources should be notified in writing any time ...

- a brand-new employee begins working
- an employee retires, dies or terminates employment
- a pastor moves to a new church and/or conference
- an employee's marital status changes or spouse dies
- an employee's salary and/or housing compensation changes
- an employee takes a sabbatical or leave of absence
- a terminated employee's address changes

Changes can be reported quickly and easily by going to the HR Web site (<http://hr.freemethodistchurch.org>) and submitting an electronic change of status form under the "Forms" tab. Or, if you prefer, the form can be obtained and returned via mail or fax. All changes must be reported within 30 days of the effective date.

### ***What can I expect if I terminate employment?***

When a participant terminates employment, the conference or employer must fill out the Notice of Change of Status form and submit it to the Human Resources office. It is important to list the exact termination date on section three of the form. Also, list the employee's personal address on the "church address" line in section four so the individual can be contacted by Human Resources regarding any vested accrued pension benefits. The terminated employee's accrued benefit to date remains until they reach age 65 and is governed by policies regarding credited years of service and vesting (see pages 11-12 for details).

If a participant terminates employment and is rehired within five years, prior vesting and credited service years will be reinstated. If a person is not rehired within five years and has a vested benefit, the individual may request to cash out

all benefits, providing the actuarial equivalent lump sum is less than \$5,000. (Call the Human Resources office to find out the actuarial lump sum.) The employee must have been terminated from employment for a minimum of five years before a lump sum can be paid out.

If a participant is rehired after five years and had a vested accrued benefit from prior service, the participant will begin to accrue a new benefit. The previous benefit will remain and will be considered a separate benefit.

### ***Defined Benefit Plan Formula***

The Defined Benefit Pension Plan offers benefits to each participant based on a predetermined (defined) formula. This formula represents the monthly income for the life of the participant only; four additional payment options are available if the participant wishes to provide benefits to a survivor and result in an adjustment to the monthly payout. The monthly payments for the life-only option (option A) are the sum of the following:

Multiply \$7.50 times the number of years of credited service prior to January 1, 1981. A participant may not claim more than 20 pre-1981 years of service.

Determine the average monthly income from the five highest consecutive years of employment. This is the final average compensation.

Multiply the final average compensation by 1.85 percent (.0185).

Multiply the product of the above amount times the number of years credited after December 31, 1980. The minimum benefit is \$17 per credited service year.

Example:

Michael Smith retired in December 2001 at age 65 after 36 years of service. Fifteen of those years were prior to January 1, 1981, and 21 years were after December 31, 1980. His average salary (average monthly compensation from the five highest consecutive years of his employment) was \$2,253 per month. His monthly lifetime benefit was calculated as follows:

$$\begin{array}{r} \$7.50 \times 15 \text{ years} = \qquad \qquad \qquad \mathbf{\$112.50} \\ .0185 \times \$2,253 = \quad \mathbf{\$41.68} \\ \qquad \qquad \qquad \times 21 \text{ years} \\ \qquad \qquad \qquad \mathbf{\$875.28} \rightarrow \qquad \qquad \mathbf{\$875.28} \\ \mathbf{Accrued benefit payable at age 65:} \quad \mathbf{\$987.78} \end{array}$$

If Michael Smith took early retirement at age 62, another step is required to arrive at his monthly benefit.

Since Michael will have worked three less years if he retires at age 62, his accrued benefit payable at age 65 would be lowered to \$862.74. Then this amount would be adjusted by a factor of 1/180 times the number of months retirement began prior to age 65 and this amount would be deducted from the monthly payment.



*Michael Smith's early retirement benefit would be calculated this way:*

$\$7.50 \times 15 \text{ years} =$	<b>\$112.50</b>
$.0185 \times \$2,253 =$	<b>\$41.68</b>
	<u>x 18 years</u>
	<b>\$750.24</b> →
<b>Accrued benefit payable at age 65:</b>	<b><u>\$862.74</u></b>

$\$862.74 \times 1/180 =$ per month benefit of	<b>\$ 4.79</b>
$\$4.79 \times 36 \text{ months} =$ per month deduction of <i>(between ages 62 and 65)</i>	<b>\$172.44</b>

<b>Accrued benefit at age 62:</b>	<b>\$690.30</b>
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Is it wise to take an early retirement benefit? See page 18 for points to consider.

## ***Defined Benefit Plan Retirement Options***

The basic plan formula is based on the life-only option (A). Four other options (B-E) are available to provide income to a beneficiary and results in a different monthly payment. Upon contacting Human Resources to begin the retirement process, participants will be provided with the following options and the corresponding estimated monthly payments based on their specific employment and compensation history.

### **A. THIS OPTION PROVIDES A MONTHLY INCOME FOR LIFE ONLY.**

A monthly benefit will be paid during the participant's lifetime and no further benefit payments will be made after death.

**B. THIS OPTION PROVIDES A MONTHLY LIFE INCOME WITH PAYMENTS GUARANTEED FOR 120 MONTHS.**

A monthly benefit will be paid during the participant's lifetime, and if 120 payments have not been paid at the date of death, the remainder of the 120 guaranteed payments will be paid to the designated beneficiary.

**C. THIS OPTION PROVIDES A JOINT AND ONE-HALF SURVIVOR INCOME.**

A monthly benefit will be paid during the participant's lifetime. After death, an amount equal to one-half of such payments will continue to the joint annuitant during his or her lifetime.

**D. THIS OPTION PROVIDES A JOINT AND TWO-THIRDS SURVIVOR INCOME.**

A monthly benefit will be paid during the participant's lifetime. After death, an amount equal to two-thirds of such payments will continue to the joint annuitant during his or her lifetime.

**E. THIS OPTION PROVIDES A JOINT AND FULL SURVIVOR INCOME.**

A monthly benefit will be paid as long as either the participant or the joint annuitant survives.

Please inform your spouse and or family of the option you have chosen.



# Getting Ready to Retire

## How early can a participant retire?

The normal retirement date is the first day of the month coinciding with or following the participant's 65th birthday. When a participant who is still serving reaches normal retirement age (65) and has at least five years of credited service, the accrued benefit becomes 100 percent vested, regardless of years of vesting service. Early retirement may be taken at the age of 60 if the participant is credited with at least 10 years of vesting service. The early retirement benefit will be equal to the accrued benefit reduced by a factor of  $1/180$  for each month that the benefit begins prior to age 65. Early retirement results in a permanently lower monthly benefit which is payable for a longer period of time. A participant may also choose to defer the start of the retirement benefit past age 65 and receive a permanently higher amount per month.

## Is it wise to take an early retirement benefit?

Individuals must answer this question based on their specific income needs. Early retirement stretches out the same amount of benefit payment into more years. To compare receiving the early retirement benefit to the larger benefit at a later date, one should compare the amount of the higher benefit at a later retirement date to how long it would take to recover the amount received during the early retirement years. For example, if you retired at 62 drawing \$690 per month you would receive \$24,840 over the three years until your 65th birthday. If you waited to retire until age 65, you would draw \$988 per month, which would be \$298 more per month than what you would draw at age 62. In this scenario, it would take you 7 years (until age 72) to

make up the \$24,840 drawn between ages 62 and 65 as opposed to waiting for the higher benefit at age 65.

Important factors to consider include health issues, life expectancy and how much monthly income is needed by the participant in their early 60s versus their later years. Understand that all situations are unique and that each situation must be considered on a case-by-case basis.

### **What if a participant retires after age 65?**

If a Defined Benefit participant works beyond age 65, the pension payment can (but does not have to) be deferred until actual retirement, in which case the participant will continue to receive credited years of service past the age of 65. If the still-working participant elects to begin receiving benefits at the age of 65, the benefit will be calculated in the same manner as a normal retirement benefit. If the participant elects to defer the benefit past the age of 65, the participant will be given the greater of either the normal benefit or the amount arrived at by increasing the benefit earned at age 65 by three quarters of 1 percent for each month benefit payments have been postponed after age 65.

### **What if a participant retires, but later becomes re-employed by the church?**

If a Defined Benefit participant age 65 or older is rehired while drawing a retirement benefit, the participant may be entitled to an increase in his or her benefit. If this becomes the case, the increase will be based on the additional years served after the initial benefit payments began, and calculated using the final average monthly compensation received throughout the participant's career. Any increase in benefits will be based on the same payout option that was elected when the participant began receiving the first benefit. The additional benefit is not calculated until the

participant completes full retirement and discontinues employment.

### **How does a participant apply for retirement benefits?**

To apply for retirement, the participant should contact the Human Resources office at the Free Methodist World Ministries Center at least 60 days ahead of the actual retirement date. This can be done by telephone, mail or via the HR Web site. When calling for an estimate of retirement benefits, a participant should be as specific as possible as to the planned retirement date and when payment of benefits is to begin. Participants should be aware that the Human Resources office can only provide a benefit *estimate* at the point of application for retirement.

In order to begin the processing for benefits, the completed retirement application, along with a copy of a driver's license or birth certificate for both the participant and the beneficiary, must be received by the Human Resources office.

After the completed retirement application is received by Human Resources, a final benefit calculation will be mailed to the participant. The participant should then select the benefit option desired and note when the benefit should begin. Included with the final calculation will be a W-4P federal income tax withholding form, a pastor's housing allowance form, and a direct deposit form. All of these forms must be completed and returned to the Human Resources office by the 20th of the month prior to the month the benefit is to begin. The participant will then receive a benefit certificate confirming the option chosen.

### **How are monthly benefits paid out?**

Monthly benefit payments for the coming month are issued

by direct deposit on the last business day of each month. The payment goes directly into the retiree's bank account on the pay date.

### **Are retired pastors still able to declare a housing allowance?**

Participants who are ministers may declare their retirement benefits as a housing allowance based on Internal Revenue Service regulations. By action of the Benefits Committee, all eligible ministers drawing a pension benefit may designate up to 100% of their benefit amount as a housing allowance (this is done using an official form, which must be submitted to the Human Resources office). A declaration form will be sent with the participant's retirement information packet. It is the minister's responsibility to determine the appropriate amount of housing allowance.



# Pension Help: Pastor's Compensation Calculator

*For Use in Determining Compensation Information  
to Report for Pension Purposes*

## Part One: Base Salary

Report the pastor's base salary (please specify weekly, monthly or yearly), plus or minus the following:

***Effective January 1, 2006, Social Security should be included as part of compensation for pension reporting purposes - regardless of how it is listed in the church budget.***

**Social Security (Prior to January 1, 2006):** If the pastor receives compensation for Social Security from the church, it may be reportable as salary for pension purposes. The answer is found in the church's official budget. If the pastor is responsible for his or her own Social Security payments out of the base salary (the budget will not show a "Social Security" line item), then report the entire base salary. If the Social Security compensation is listed as a reimbursement (in the same way that mileage, expenses, etc. are listed), then it cannot be reported as part of the pastor's income for pension purposes.

**TDA Payments:** If the church pays into a tax-deferred annuity plan on behalf of the pastor, this amount should be reported as part of the pastor's base salary for pension purposes. This includes contributions to IRAs, 403(b) accounts, etc. *Please note that the church's payments on behalf of the pastor to the Free Methodist pension plan cannot be counted as part of the pastor's salary for pension purposes.*

## Do not include:

- Any insurance premiums paid by the church on behalf of the pastor
- Direct reimbursements and/or benefit payments by the church for
  - Mileage and/or travel
  - Professional expenses
  - Educational expenses
  - Medical expenses – However, if the pastor designates a portion of the salary to be withheld as a tax-free reimbursement for medical, dental, or other expenses (such as a Section 125 cafeteria plan), this portion of the salary should be reported as part of the pastor’s income for pension purposes (because the reimbursements are actually being made from the pastor’s salary and not the church budget – they function as a tax shelter for the pastor).



## Part Two: Housing Compensation

**Note:** *If the pastor receives no salary (as defined above), but does receive housing compensation (as defined below), then the pastor would still be considered a participant of the Free Methodist Church of N.A. Defined Benefit plan.*

How to report the pastor’s housing for pension purposes depends on whether the pastor has a parsonage or receives a housing allowance. Please see the appropriate section below, based on the pastor’s arrangement.

**If the pastor receives a cash housing allowance** (*pays own housing expenses*) ...

... then simply report the amount of the housing allowance as housing compensation (please specify either annually or monthly).

**If the pastor lives in a parsonage or other church-provided housing** (*church pays pastor's housing expenses directly*) ...

... then use the guidelines below to report the pastor's housing compensation:

1. The church should determine the fair market rental value of the parsonage.
2. The church should determine the average monthly amount of the utility bills paid on the parsonage.
3. Add the two amounts together and report the total as the pastor's housing compensation (please specify either annually or monthly).



# Planning for the Future

When we think about planning for our retirement years many things come to mind. Decisions regarding our retirement years can be more than we really want to think about. Will I want to take an early retirement? Will I know what to do with all that newly acquired free time? Will I want to volunteer or start another career? Where will I want our home located? What will my needs be during retirement and will my income be sufficient? Will I have responsibilities for our parents or grandchildren? Do I want to travel? The questions can go on and on.

Every stage of your life, from age 30 on, requires different strategies and appreciation of the trends that will affect the elderly and their families. God has provided resources for us and we can continue to trust Him to provide, but it is our responsibility to use them the best we know how. We encourage each participant to use their annual statement, or request an estimated calculation of their benefits from the Human Resources Department to assist in financial planning.

We know that the pension you receive from the Defined Benefit plan alone will not be enough during your retirement years. Therefore, we recommend that you use additional investment tools to help supplement your retirement, such as contributing to a 403(b) plan. The Human Resources Department or the Free Methodist Foundation can direct you to a 403(b) plan provider.

Provided by your denomination, for anyone who is a participant in the pension program, is the opportunity to receive a confidential, comprehensive Financial Profile at no cost to you. The Human Resources office is working



along with King Trust Company, N.A. a subsidiary of the Free Methodist Foundation, to help you develop a plan just for you. The Financial Profile will address any specific questions or concerns you may have about your finances. No matter what stage of your life, this will help guide you in considering financial and retirement planning, insurance needs, education funding, investment allocation, and estate planning.

Long Term Care insurance is another program that can help you plan for the future. This is a personal benefit and can be funded as part of your salary package if the church wishes to contribute to this type of plan, or you can elect to carry it on your own. The Human Resources office can refer you to someone who can help in this area.

If you have questions or concerns about your retirement benefits, be sure to give the Human Resources office a call and we will be happy to help you in whatever way we can.



# Help Along the Way: Pension and Financial Planning Resources

**Human Resources** is your main connection for all pension-related issues. You are also welcome to contact us with any financial planning questions or concerns you may have. We can be helpful in linking you with appropriate resources. Pension information is available to participants via newsletters, our Web site, financial planning seminars, conference offices, and other resources distributed periodically. Of course, you may always call or e-mail us – we are ready to serve!

Be sure to pay attention to the **pension newsletters** and other communications you receive via mail from our office. In addition to helpful information about pension and financial planning, they also contain notices of any pension-related changes. Also, we will mail you an annual statement so that you can be sure that our information is updated and monitor your pension benefits. Statements and retirement estimates can be generated at any time – just call or e-mail our office to request one at [hrdept@fmcna.org](mailto:hrdept@fmcna.org).

**Keep checking our website!** Our site, called **fm:hr** is maintained to provide the maximum amount of information and assistance to plan participants. Much of your pension recordkeeping can be done electronically via this site, and there are many printable documents available. Also, any changes to the pension plan or its policies are posted on the site, as well as any perks being offered to you!

**fm:hr** Visit us at <http://hr.freemethodistchurch.org>.

# Resources

## Free Methodist Church of North America Human Resources Department

Toll Free: 800.342.5531

Phone: 317.244.3660

Fax: 317.244.1503

Email: [hrdept@fmcna.org](mailto:hrdept@fmcna.org)

Website: <http://hr.freemethodistchurch.org>



## Free Methodist Foundation

Toll Free: 800.325.8975

Phone: 517.750.2727

Fax: 517.750.2752

Website: <http://www.fmfoundation.org>



## Social Security Administration

Toll Free: 800.772.1213

Website: <http://www.ssa.gov>



## Internal Revenue Service

Toll Free (for individuals): 800.829.1040

Toll Free (for businesses): 800.829.4933

Website: <http://www.irs.gov>

***Working Together in the Body for Christ***



**Free Methodist Church of North America  
Human Resources Department**

**P.O. Box 535002  
Indianapolis, IN 46253-5002**

**Toll-Free: 800.342.5531**

**Phone: 317.244.3660**

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Check out our online resources and electronic forms:

**<http://hr.freemethodistchurch.org>**

*¿Necesita esta información en español?  
Usa el sitio <http://hr.freemethodistchurch.org>*

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