

# BENEFITS OF AN ASSOCIATIONAL PLAN

GuideStone® has the experience and expertise to meet the unique retirement planning needs of evangelical churches and institutions. Our specialized retirement plan programs — including 403(b)(9) church retirement plans and minister's housing allowance designations — allow us to fully serve your organization. You and your staff can rely on our in-depth knowledge of ministerial tax issues for guidance along the way.

**By participating in the associational plan, your church will be able to take advantage of the following benefits:**

## Plan Documentation

With an associational plan, all churches and ministries within that association are included in one overarching plan document. Therefore, each church does not need to establish their own plan document. There is no cost to the church to participate in the associational plan — and there is no minimum number of employees required to do so.

However, each church is autonomous and can volunteer to participate in the associational plan or establish their own plan. GuideStone offers flexibility in allowing each church to customize eligibility requirements for their retirement plan.

## Benefits of a 403(b)(9) Church Retirement Plan

- There are no required ERISA filings associated with this type of plan.
- Participating churches are not subject to nondiscrimination testing (NDT).

## Plan Establishment

There are global provisions established at the plan level — vesting, plan loans, withdrawal provisions, etc. — and each church in the associational plan will need to adopt the plan provisions of the associational plan document.

## Employer/Employee Contributions

GuideStone offers flexibility in allowing each church to determine employee eligibility and employer contributions to the plan (including the amount and timing of contributions). We encourage plan sponsors to provide an employer contribution, but it is not required. Industry standards recommend contributing 10% to 15% of one's annual compensation

toward retirement. We recommend our churches provide a 10% employer contribution and employees contribute 5%.

Each church can establish different classifications of employees to receive various levels of employer contributions. For example, ministers may receive a 10% employer contribution, and non-ministerial employees may receive a 5% employer contribution.

Once again, employer contributions are encouraged but not required. There is also no minimum employee contribution required. Each employee can elect the amount they want to contribute to their 403(b)(9) retirement plan (within IRS limits).

## Ministry-Specific Benefits

Employees who are licensed, commissioned or ordained may be able to claim up to 100% of their retirement distribution as housing allowance. This is a significant tax benefit for these individuals.

Ministers who have IRAs or other retirement vehicles may be eligible to roll these assets into their 403(b)(9) church plan and claim 100% as housing allowance.

GuideStone has specialists dedicated to processing participant rollovers, answering housing allowance questions and providing complementary resources designed specifically for ministerial staff.

**“GuideStone offers excellent service to the Evangelical Covenant Church at all levels. We are grateful to have a partner who works alongside us to support our church and pastors through quality retirement funding.”**

**Christina Kempe**, Director of Benefits  
Evangelical Covenant Church, Chicago, Illinois