

RETIREMENT DECISIONS



A WORKBOOK TO HELP YOU SELECT
the right distribution option for your retirement



Servant Solutions
YOUR RETIREMENT & FINANCIAL PLANNING PARTNER



You've probably spent half a lifetime and much of your ministry career planning for retirement...

Now, all your diligence and discipline is about to pay off. To many, retirement means new opportunities and ventures - maybe you'll continue in your current position or work part-time far beyond the "traditional" retirement age. Perhaps missions projects await, or pursuit of a new hobby. Wherever the Lord leads you in the next season of your ministry, it is certain that you won't work forever. You'll eventually need to rely on your retirement savings for some portion of your monthly income.

Whether that time is now or later, you face important decisions as to how you will manage the money in your retirement savings account. This concise guidebook, ***Retirement Decisions***, has been prepared by your friends at Servant Solutions to assist you in making the best possible decisions as to how you will receive your retirement income.

Give us a call...

after reading through this workbook, if you have questions or need further explanation of the material.

Please call us at 800-844-8983 or contact us by email at info@servantsolutions.org

And don't forget the website has many resources available.

servantsolutions.org

SERVANT SOLUTIONS IS HERE FOR YOU.

As a participant with the Servant Solutions Retirement Plan, you have a well-established organization standing with you. You've relied on us for many years to help you save and invest and now we stand ready to assist you in retirement.

Consider the following features offered by your Retirement Plan...

Flexible distribution options -

You will find that the Retirement Plan provides significant flexibility to meet your retirement income needs.

Flexible investment options -

The Retirement Plan provides a varied menu of high quality, diversified funds to meet the needs of investors in retirement.

For information on investments: servantsolutions.org or call us at 800-844-8983.



Are you a licensed, commissioned or ordained minister?

If so, you may be able to take actual expenses up to 100% of your retirement benefit as a minister's housing allowance. This is a remarkable benefit not found in most other retirement plans. Contact us for more information.



WHERE WILL YOUR RETIREMENT DOLLARS COME FROM?

For most retirees, the primary sources of retirement income are:

- ◆ Social Security
- ◆ Retirement savings (including your Retirement Plan account)
- ◆ Personal savings/investments
- ◆ Earnings from continued employment

Financial planners often use the visual aid of a **“three-legged stool”** to make the point that a comfortable retirement requires some preparation and planning. One leg is represented by Social Security, another by your retirement plan, and the third leg is any savings you have set aside for retirement.

Increasingly, a **fourth leg** is needed to give strength to the stool. The fourth leg may be needed as a result of the fact that we are blessed to live in a day and age where average life expectancy is longer than ever. More and more this fourth leg is represented by continued earnings from part-time work in the retirement years. Servant Solutions hardly views this phenomenon as negative. It is wonderful to often observe persons who have given a career to the Lord’s work enter a new phase of life by enjoying a retirement that is long, healthy, and productive.



Consider the strength of the legs of your “three-legged stool” as you turn the pages to learn more about how best to receive your Retirement Plan income.

YOUR BENEFIT CHOICES

Peace of mind... Flexible... Tailored to meet your needs...

These are descriptions of your Retirement Plan's ability to respond to what you need in setting your retirement income.

There are two basic payment styles for you to consider... the **Annuity Benefit** and the **Retained Control Account (RCA)**. Here are helpful overviews of each of these payment styles:

ANNUITY BENEFIT

The Annuity provides you a regular monthly check for life and is a contract between you and Servant Solutions. It is an excellent choice for those who would rather not make ongoing investment decisions and want a life-long income. Once you select the annuity, you never need to make another decision. It's important, however, to consider that the annuity decision is irreversible. Call Servant Solutions for more detailed information and an estimate of annuity benefits.

RETAINED CONTROL ACCOUNT (RCA)

A Retained Control Account will feel much like your current Servant Solutions account in that you simply keep your current account, still receive periodic statements, and will continue to make the investment decisions on your account. In a RCA you decide the method and level of income. You may decide a monthly payment received over a specific number of years best serves you. Or, you may determine that a specific dollar amount is needed for your income budget.

THE TWO KEY THINGS TO REMEMBER:

- 1) You have control over your money.
- 2) With control, it is very important to monitor your money so that you do not draw down the account too quickly.

PAYMENT FEATURES AT A GLANCE

ANNUITY BENEFIT
FEATURES AND CONSIDERATIONS
Make all decisions up-front and leave the rest to Servant Solutions
Cannot outlive monthly payments
Wide choice of life-long payment options
Decision irreversible
Can establish annuity with only a portion of account balance
Complies with IRS Minimum Required Distribution rules
TAX CONSIDERATIONS
Federal income tax withholding is optional
Taxable, unless excludable as housing allowance (for retired ordained ministers) or as return of "after-tax contributions"
INVESTMENT OPTIONS
No personal management of investments
PAYMENT OPTIONS
Single Life Single Life with a Ten Years Certain Period Joint & Survivor Joint & Survivor with a Ten Years Certain Period

RETAINED CONTROL ACCOUNT
FEATURES AND CONSIDERATIONS
Ongoing financial management responsibilities
May outlive your retirement plan assets
Investment risk (no guarantees): potential for gains and losses
Opportunity for estate planning
Continued tax deferral on account balance
Annually tested for compliance with IRS Minimum Required Distribution rules
TAX CONSIDERATIONS
Mandatory 20% federal income tax withholding unless payment is an installment based on a period certain of 10 years or longer. Exception: Optional 10% withholding applies to any Minimum Required Distribution payment.
Taxable, unless excludable as housing allowance (for retired ordained ministers) or as return of "after-tax contributions"
INVESTMENT OPTIONS
Invest in your choice of available Servant Solutions investment options - ranging from very low to high risk
PAYMENT OPTIONS
Equal monthly payment installment or specific time period installment and/or withdrawals when and in the amount that you decide

Taking a lump sum

If you decide that you do not need monthly income, but will need income from time to time, you can simply take Partial Lump Sum Benefit withdrawals when needed (*subject to a small distribution fee*). We always caution members to plan carefully when taking any lump sum amounts as it may result in **higher taxation**.

Leave the Driving to Servant Solutions

Is this you? ✓

- ☐ You want a reliable source of income for the rest of your life.
- ☐ You're uncomfortable with the fluctuations of the stock and bond markets for your account.
- ☐ You want to know exactly how much money you'll be getting each month.
- ☐ Your Servant Solutions savings is your primary source of retirement income.
- ☐ You want to relax and not worry about your investments.
- ☐ You're confident that the decision you're making today will still be acceptable to you 20 years from now.
- ☐ You don't anticipate needing continued growth in your retirement income to offset inflation.
- ☐ You're uncomfortable making complex investment decisions.
- ☐ You understand what inflation can do to the purchasing power of a dollar twenty years from now.

If the majority of these statements describe you, consider taking the Annuity Benefit route.

In the Driver's Seat

Is this you? ✓

- ☐ You enjoy choosing your own investment funds for your retirement savings plan.
- ☐ You prefer to control your own finances.
- ☐ You can weather the ups and downs of the stock and bond markets.
- ☐ You will need investment growth to offset inflation, pay off debt, meet family obligations and support your desired lifestyle.
- ☐ Your budget can handle potential fluctuations in your retirement paycheck.
- ☐ You don't like to leave your future in others' hands.
- ☐ You accept the risk of possibly exhausting your savings before you die.
- ☐ You have other sources of retirement income.

If the majority of these statements describe you, consider taking the Retained Control Account route.

COMMONLY ASKED QUESTIONS

How early can I be eligible for benefits?

Normally you may begin retirement benefits as early as age 60.

What happens to my retirement income account if my designated beneficiary and I both die before I retire?

If you die prior to the time you receive payment of any of your retirement benefits under this plan, your surviving spouse owns and has rights to the account. If you die prior to the time you receive payment of any of your retirement benefits, and have no surviving spouse, your account balance will be paid in a lump sum distribution to your beneficiary, or to your estate if there is no beneficiary designated.

Can I select more than one beneficiary?

Multiple beneficiaries can be designated for the account of a participant choosing a Retained Control Account payment. Participants choosing an Annuity Benefit payment with a ten years certain feature can designate only one beneficiary for contingent payments. Designating a trust or estate as the one beneficiary can benefit more than one person.

What happens to my retirement benefit if I return to work?

You will continue receiving your Annuity Benefit. Members receiving payments under the RCA can continue receiving benefits.

Is there a penalty if I take all my money out after age 60?

No, but this may not be the best option due to the tax liability. Also, ministers forfeit the housing allowance eligibility.

How are my benefits taxed?

Generally, your contributions are deposited on a pre-tax basis, meaning you may owe taxes when the money is distributed. However, retired ministers can exclude from income up to 100% of their retirement payments as a minister's housing allowance if IRS requirements are met. Servant Solutions will withhold federal income taxes for you when required or requested.

I don't plan to retire at age 65. Must I begin receiving my retirement benefit then?

No. You are not required to begin taking distributions until April 1 following the year you attain age 70 1/2. Contact Servant Solutions before that time for information about required distributions. If you continue to work past age 70, you are not required to begin taking distributions until you retire.

Who do I notify when I am retiring?

Notify Servant Solutions when you are ready to retire and we will send you the necessary information and forms you will need. Contact us at info@servantsolutions.org or 800-844-8983, or write to:

Servant Solutions
P.O. Box 2559
Anderson, IN 46018

ANNUITY BENEFIT QUESTIONS:

What is a beneficiary?

If you choose an Annuity type benefit, a beneficiary is a person that is to receive benefits upon your death. If you are married, you must elect one of the joint and survivor annuity type options unless a Spouse's Waiver of Joint and Survivor Option is filed with Servant Solutions. If you select an annuity option with a ten years certain feature, you must also designate a person, your estate or trust, or an organization to receive benefits in the event you (and, if applicable, your spouse or survivor annuitant) should die before the end of the ten years certain period.

What is a ten years certain period?

A ten years certain period, an optional feature, ensures that your designated beneficiary will receive income if you (and your survivor annuitant, if applicable) die before the ten years period expires. The ten years certain period begins when you establish the annuity. Once the ten years certain period expires, payments to your beneficiary cease. Importantly, the annuity payment to the participant and the survivor annuitant is always for life, even as life extends beyond the ten years certain period.

What is a survivor annuitant?

Your survivor annuitant is usually your spouse. However, it may be anyone related by blood or marriage with whom you choose to share a joint life annuity. If you are married, you must obtain your spouse's notarized consent to name another person as your survivor annuitant.

If I select an Annuity Benefit with ten years certain, what happens if I live longer than the initial ten years?

You will continue receiving payments.

If I choose the Annuity Benefit method at the beginning of my retirement, can I switch to a Retained Control Account later?

No

RETAINED CONTROL ACCOUNT QUESTIONS:

Can I select more than one beneficiary?

Multiple beneficiaries can be designated for the account of a participant choosing a Retained Control Account type payment. If married, by plan design the spouse is automatically the primary beneficiary unless the spouse has approved otherwise.

If I take the Retained Control Account route, what happens to my money when I die?

The remaining money will be payable to your beneficiary.

If I choose the Retained Control Account method at the beginning of my retirement, can I switch to an Annuity Benefit later?

Yes



NOTES:

COUNTDOWN TO RETIREMENT

What	When	Completion Date
Request a Statement of Estimated Individual Benefits from Servant Solutions.	Now	
Request a Personal Earnings and Benefit Estimate Statement from the Social Security Administration (call 800-772-1213).	Now	
Contact former employers about retirement benefits (if any).	Now	
Inform family members about location of important papers.	Now	
Discuss retirement plans with spouse and/or family members.	Now	
Estimate your monthly retirement expenses.	3 years before retiring	
Catalog all possible sources of retirement income.	3 years before retiring	
Make decision as to whether you want an Annuity Benefit or Retained Control Account benefit type payment.	6 months before retiring	
Determine specific details of payment method.	6 months before retiring	
Determine amount of housing allowance expenses (ministers only).	6 months before retiring	
Decide whether to start Social Security benefits at age 62 or later.	6 months before retiring	
Review your health and life insurance benefits.	6 months before retiring	
Request retirement benefit estimates, beneficiary and retirement application forms from Servant Solutions.	3 months before retiring	
Apply for Social Security benefits.	3 months before retiring	
Sign and return Servant Solutions forms.	2 months before retiring	
Expect first Servant Solutions benefit check to arrive.	End of month in which benefit is effective	
Review your will and estate plan.	Periodically	
Apply for Medicare benefits.	Prior to reaching age 65	



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Serving those who serve.



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info@servantsolutions.org



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