

# FINANCIAL SOLUTIONS

for the National Association of Free Will Baptists



Free Will  
Baptist  
Board of  
Retirement

PROSPECTUS



## DEAR FELLOW LABORER:

Thank you for taking time to look over our material. No matter where you are in your career, the best time to start planning and saving for retirement is now. Let me encourage you, if you don't have a plan for retirement, start one today.

Our plan offers a convenient and effective way to plant a seed for the future and prepare for the retirement years. This plan is convenient because it allows you to easily save through payroll deduction and/or automatic bank draft.

The Board of Retirement is a denominational agency of the National Association of Free Will Baptists. For over four decades we have been dedicated to the ministry of providing a retirement plan for FWB ministers, missionaries, and other denominational employees.

Our mission has been to provide retirement benefits to those who serve our denomination – a mission we have kept without exception. This responsibility drives our commitment to provide solid retirement solutions without sacrificing the Christian values we share with our people.

When you invest with the Board of Retirement, your funds are managed by professional investment managers under the guidelines set forth by FWB. Investments are carefully screened to avoid what is commonly referred to as “sin stocks.” Companies that derive the major portion of their income from gambling, tobacco, alcohol, pornography, or The Walt Disney Co. are excluded from our investment pool. Historically we have distributed very competitive rates of return.

Free Will Baptists have a great plan. If you are not a participant, I encourage you to contact our office to get things started. Let us show you how you can reduce your taxable income now. Let us explain how ordained ministers can receive up to 100% of their retirement benefits as a tax free housing allowance.

The Board of Retirement would be honored to serve you. Let us help make your financial future secure through proper planning and investing. Our products and services are available to all employees of Free Will Baptist churches, schools, and other agencies. To learn more, visit our website [www.boardofretirement.com](http://www.boardofretirement.com) or call (877) 767-7738.

Start planning today!

The Free Will Baptist Board of Retirement program meets the needs of denominational workers by rivaling similar plans. It gives me peace of mind knowing the financial managers are people of integrity and investments follow a moral and socially responsible set of guidelines.

*Keith Burden*  
*Executive Secretary*  
*National Association of Free Will Baptists, Inc.*

I am so grateful for the Free Will Baptist Board of Retirement and their work with churches and pastors! They are tremendously excellent in what they do, caring in their approach, and readily available to answer our questions at any time. My family is blessed to be able to take advantage of their services!

*Tommy Swindol*

# TAKE FULL ADVANTAGE WITH OUR PLAN

## 403(b)(9) approved plan

Our 403(b)(9) plan is approved by the IRS for all employees of Free Will Baptist Churches or Church Organizations.

## What is a 403(b)(9) plan?

Church retirement income account program described in section 403(b)(9) of the Internal Revenue Code.

## Tax deferred contributions

Take advantage of tax deferred contributions to the Plan. Tax deferred contributions are not to be included in gross “reportable” income for tax purposes. Since the tax deferred contributions and interest are tax deferred, they will only be subject to taxes when the money in your account is distributed to you.

## Flexible contributions

One can begin with as little as \$10 monthly. Generally, the maximum contribution allowable is 100% of taxable ministerial income or \$56,000 (2019), whichever is less. However, special “catch-up” provisions are available to certain participants. For an explanation of the catch-up provisions, please request Publication 571 from your nearest IRS office, or contact the Board of Retirement.

## Personal and employer contributions

Participants may contribute personal “after-tax” funds. These contributions must be made by personal check or automatic bank draft from the participant’s personal checking account. Contributions can also be made by Salary Reduction or by direct contributions from the employer, i.e. the church or church-related entity. The employer (church/church agency) is permitted to contribute to the participant’s retirement account as an added compensation benefit without such being taxable to the participant. All church checks must be payable to the Board of Retirement. **NO PERSONAL CHECKS CAN BE ACCEPTED FOR SALARY REDUCTION OR EMPLOYER CONTRIBUTIONS.**

## Other funds that may be available

Participants may find other funds available to them through State Association plans, i.e. co-op plans (check with your state leaders). Randall House Rewards Program is also available, where a percentage of your Sunday School curriculum order is deposited into your account.



## ILLUSTRATION OF POSSIBILITIES

(6% assumption<sup>\*\*\*</sup>)

MONTHLY DEPOSITS*	10 YRS	20 YRS	30 YRS	40 YRS
\$100	\$16,765	\$46,791	\$100,562	\$196,857
\$250	\$41,914	\$116,978	\$251,405	\$492,143
\$500	\$83,829	\$233,956	\$502,810	\$984,286
\$750	\$125,744	\$350,934	\$754,215	\$1,476,429
\$1,000	\$167,659	\$467,912	\$1,005,620	\$1,968,572
\$1,250	\$209,574	\$584,890	\$1,257,025	\$2,460,715
\$1,500	\$251,489	\$701,869	\$1,508,430	\$2,952,858

*\*Illustration above growth potential is based upon monthly deposits at the percentage indicated per annum, compounded annually, on the account balance at the ending of the month and from date subsequent deposits are made.*

*\*\*\*The Free Will Baptist Board of Retirement does not guarantee a specific rate of return on participants’ contributions, only that contributions are invested at fair market rate. However, the Board has maintained an average of 7.32% annual return to our participants for the past forty-six (46) years.*

**\*\*Past results are not a guarantee of future performance.\*\***

# CONTRIBUTION TYPES

There are several types of contributions that may be made to the Plan.

## EMPLOYER CONTRIBUTIONS

Each Participating Employer is allowed to decide how much it wants to contribute to the Plan on behalf of eligible employees. There is no requirement that an employer must contribute to the Plan, so the employer must discuss with its employee(s) whether it will make Employer Contributions to the Plan, and if so, how much those Employer Contributions will be.



## EMPLOYEE ELECTIVE CONTRIBUTIONS

### Elective Contributions (voluntary salary reduction)

This type of contribution allows employees to contribute a certain portion or percent of their compensation to the Plan. They choose how much they would like to contribute within the limits. The 2019 salary reduction limit is \$19,000 (plus an additional \$6,000 if you are 50 or older). All eligible employees can make Elective Contributions to the Plan.

There are two types of Elective Contributions that can be made to the Plan: Pre-tax Contributions and Roth Contributions (After-tax). For both types of contributions, the employee must complete a salary reduction agreement indicating the dollar amount or percentage of their compensation that they would like to have contributed to the Plan and identifying which portion of the contribution is intended to be a Pre-tax Contribution and which portion is intended to be an After-tax Roth Contribution. Copies of salary reduction agreements can be obtained by calling (615) 731-6812, or toll-free number at (877) 767-7738, or by visiting the website ([boardofretirement.com](http://boardofretirement.com)).

### 1. PRE-TAX CONTRIBUTIONS

This type of Elective Contribution is a contribution made to the Plan on a pre-tax basis. The employee decides how much to contribute to the Plan as a Salary Reduction Contribution by filling out a Salary Reduction Agreement. Salary Reduction Contributions will then be withheld from their paycheck and transmitted monthly to the Plan for investment. Salary Reduction Contributions reduce their current taxable income by the amount of the contribution, saving current tax dollars. Since they are not actually receiving a portion of their salary now, they are also not taxed on it now. Non-ordained employees do pay employment taxes (FICA, FUTA and Medicare) on their Salary Reduction Contributions.

### 2. ROTH CONTRIBUTIONS

A second type of Elective Contribution is a Roth Contribution. Roth Contributions, like Salary Reduction Contributions, are deducted from the employee salary based on their individual salary reduction election. However, unlike Pre-tax Contributions, Roth Contributions are made with after-tax dollars. Roth Contributions do not reduce your current taxable income. If certain requirements are met, then Roth Contributions are distributed in what is called a “qualified distribution,” your Roth Contributions (and the earnings on those contributions) are not taxed. (“Qualified distributions” are discussed in the section of the Plan Summary entitled “Special Rule for Distributions of Roth Contributions” on page 21 of the Summary Plan Document.) In order for Elective Contributions to be treated as Roth Contributions, employees must irrevocably designate their Elective Contributions as Roth Contributions in your Salary Reduction Agreement.

## AFTER-TAX CONTRIBUTIONS

In addition to Salary Reduction Contributions, employees can also make After-Tax Contributions to the Plan. These are additional contributions that they choose to contribute on an “after-tax” basis. Like Roth Contributions, After-Tax Contributions do not reduce current taxable income by the amount contributed. However, unlike Roth Contributions, earnings on any After-Tax Contributions will be taxed upon withdrawal of these amounts from the Plan. Employees can make After-Tax Contributions by sending a check directly to the Board or by setting up an automatic bank draft from their personal bank account. Automatic bank draft forms can be found on our website ([boardofretirement.com](http://boardofretirement.com)) or by calling our office at 1-877-767-7738.



## ROLLOVER AND TRANSFER CONTRIBUTIONS

If you are a participant in another retirement plan, or if you have been contributing to another 403(b) tax-sheltered annuity provider through your employer, you may also be able to make a Rollover contribution or a transfer contribution to this plan. A rollover contribution is a direct rollover of a distribution made from another retirement plan or IRA in your Account in this Plan. A transfer contribution is a transfer directly from another 403(b) annuity provider to the Plan. There are a number of special rules and limitations on Rollover and Transfer contributions. Therefore, if you are a participant in another retirement plan or IRA, or if you have made retirement contributions to a different 403(b) provider, you should check with the administrator or the provider for that plan, as well as the Board of Retirement, to see if you are eligible to make a Rollover or Transfer Contribution to the Plan.

**Contributions are intended for Retirement** – Remember, it is generally expected that all contributions will stay in the plan until you retire. Although it is possible to take a distribution of some of your employee contributions prior to retirement, this Plan is not intended to be used like a savings account. Rather, it is designed to provide funds for you in retirement. If you have any questions about contribution types, please contact our office at 1-877-767-7738.



The FWB Board of Retirement has for many years provided a sound and stable means to save for the retirement years. I am thankful for the Board’s service to my father, who is already drawing from his account. I am also appreciative of the help and information I am receiving as I try to prepare for my future. I would encourage you to contact the Board of Retirement and learn how they might assist you.

*Danny Williams, Executive Director, Alabama Free Will Baptists*

Free Will Baptist Board of Retirement is one of the greatest assets in the life of the local pastor and an awesome way for a church to be a blessing to their pastor. Free Will Baptist Board of Retirement has had and will have a major impact on my life and my family.

*Tim York*

# INVESTMENT STRATEGY COMPARISON

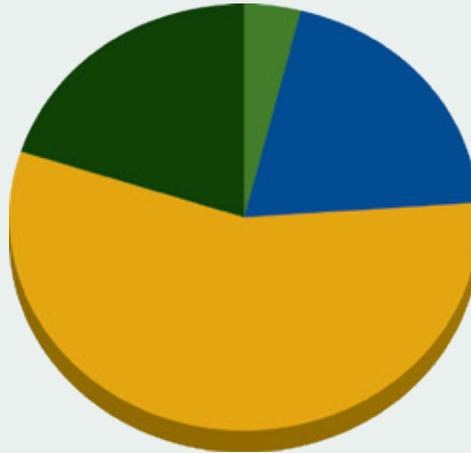
## INVESTMENT STRATEGIES

Free Will Baptist Board of Retirement provides a range of solutions to help you meet your unique investment objectives. Our plan is intended to give you control over the investment of the assets in your account. Each Investment Strategy is different and has its own specific investment goals, objectives, and time horizon and is made up of many individual stocks, bonds, and other investments. You can decide which Investment Strategy(ies) you want to invest in and how much of your contributions and assets you want to invest in each one.

## OUR INVESTMENT PHILOSOPHY

Free Free Will Baptist Board of Retirement uses investment management professionals that provide a performance-driven, values-based approach to investment management. This allows us to provide some of the industry's top investment managers to build out our investment strategy options. At the Board of Retirement, we take a disciplined approach to our investment strategies. Managers build portfolios from a bottom up approach, looking at individual companies that are outperforming rather than looking at sectors and working their way down. All of our Investment Strategies are actively managed.

## CONSERVATIVE STRATEGY

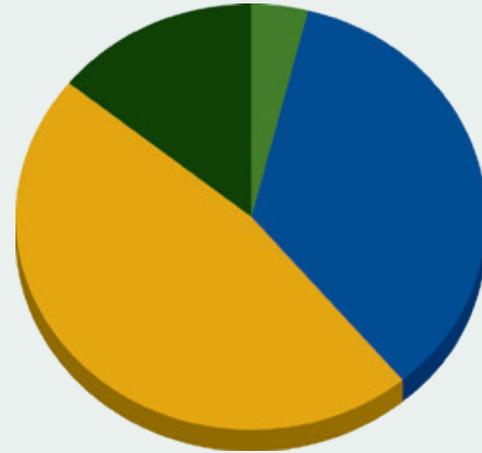


Stocks	20%
Bonds	56%
Alternative	20%
Cash	4%

### TIME HORIZON 0 TO 5 YEARS

- Seeks high level current income
- Seeks limited capital appreciation
- Seeks low price volatility levels
- 5% to 35% invested in stocks

## MODERATE STRATEGY



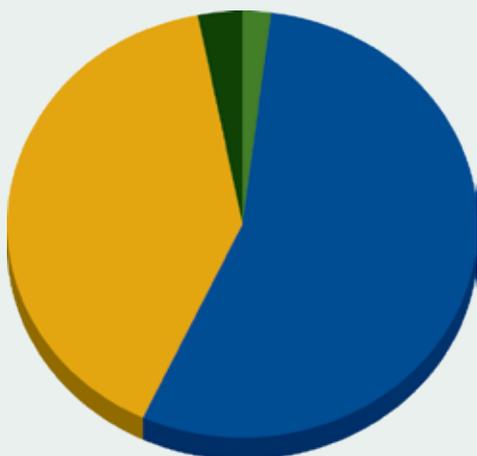
Stocks	35%
Bonds	47%
Alternative	14%
Cash	4%

### TIME HORIZON 3 TO 10 YEARS

- Seeks strong current income
- Seeks modest capital appreciation
- Seeks low to moderate price volatility levels
- 20% to 60% invested in stocks

# Target Asset Allocation and Investment Goals/Objectives

## DEFAULT STRATEGY



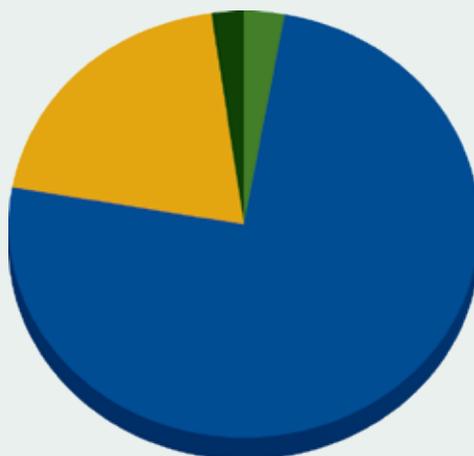
Stocks 55%

Bonds 40%

Alternative 3%

Cash 2%

## MAXIMUM STRATEGY



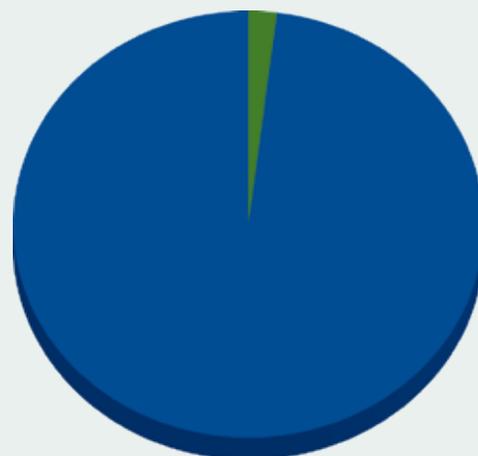
Stocks 75%

Bonds 20%

Alternative 2%

Cash 3%

## DISCIPLINED VALUE STRATEGY



Stocks 98%

Bonds 0%

Alternative 0%

Cash 2%

### TIME HORIZON 3 TO 10 YEARS

- Seeks moderate level current income
- Seeks above average capital appreciation
- Seeks moderate price volatility levels
- 40% to 70% invested in stocks

### TIME HORIZON 15+ YEARS

- Seeks maximum long-term growth of capital
- Long term investment horizon
- Accepts high price volatility levels
- 70% to 95% invested in stocks

### TIME HORIZON 15+ YEARS

- Seeks maximum long-term growth of capital
- Long term investment horizon
- Accepts high price volatility levels
- 95% to 100% invested in stocks

# Account Overview

## CONSERVATIVE STRATEGY

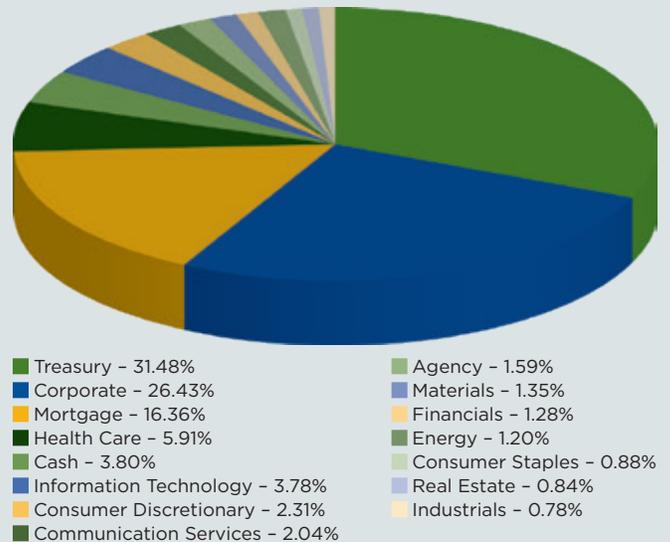
### ANNUALIZED PERFORMANCE OVERVIEW (as of 9/30/2018)

Current YTD – 2018	0.803%
One Year (2017)	5.566%
Three Year	2.733%
Five Year	1.865%
Ten Year	--
Life to Date	3.133%
Inception Date	October 2009

### MARKET VALUE VS. NET INVESTMENT



### SECTOR ALLOCATION



### THE CONSERVATIVE GROWTH STRATEGY

This approach is for those whose primary desire is to protect against capital risk and who understand that protecting against risk may require that some percentage of return be foregone, and protection against any one risk may to some extent preclude protection against other risks.

### OBJECTIVES AND ALLOCATION RANGE

- Overall Portfolio Equity Range: 5% to 35%
- The primary objective is to manage against capital risk by reducing year-to-year volatility.
- The secondary objective is capital growth, when valuation levels in the stock market are favorable and its specific strategies and pricing techniques can take advantage of market conditions.

### PRIORITIZED INVESTMENT GOALS

Due to the conflicting objectives of this portfolio, the protection of capital will be the primary focus relative to the desire for capital growth. Therefore, stock market participation will expose the portfolio to some volatility, but this portfolio seeks to sacrifice growth in exchange for significantly dampening that volatility.



For up-to-date performance, scan the QR code or visit [www.boardofretirement.com](http://www.boardofretirement.com).

# Account Overview

## MODERATE STRATEGY

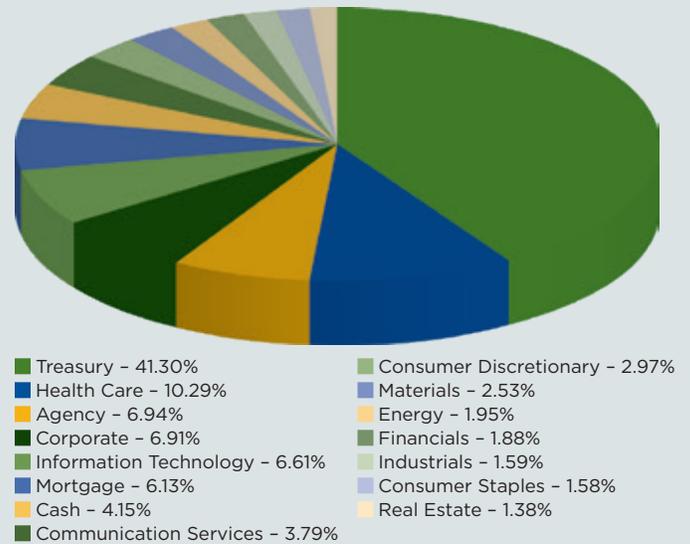
### ANNUALIZED PERFORMANCE OVERVIEW (as of 9/30/2018)

Current YTD – 2018	1.710%
One Year (2017)	7.761%
Three Year	3.832%
Five Year	1.653%
Ten Year	--
Life to Date	2.766%
Inception Date	April 2012

### MARKET VALUE VS. NET INVESTMENT



### SECTOR ALLOCATION



### THE MODERATE GROWTH STRATEGY

This approach is for those who place dual emphasis on two objectives which must be balanced against each other due to their conflicting nature.

### OBJECTIVES AND ALLOCATION RANGE

- Overall Portfolio Equity Range: 30% to 60%
- To manage against capital risk by reducing year-to-year volatility.
- To seek capital growth over the medium term when valuation levels in the stock market are favorable and its specific strategies and pricing techniques can take advantage of market conditions.



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### PRIORITIZED INVESTMENT GOALS

Due to the conflicting objectives of this portfolio, the protection of capital will be balanced against the desire for capital growth. Limited stock market participation (which, at times, may exceed the portfolio's participation in fixed income securities) will provide some reinvestment rate protection. However, this limited stock market participation makes the portfolio volatile to a degree. As for inflation, any attempt to actively exceed inflation would require a higher proportion of equity investments in the portfolio which would result in an extreme volatility inconsistent with the portfolio's primary objectives.

# Account Overview

## DEFAULT STRATEGY

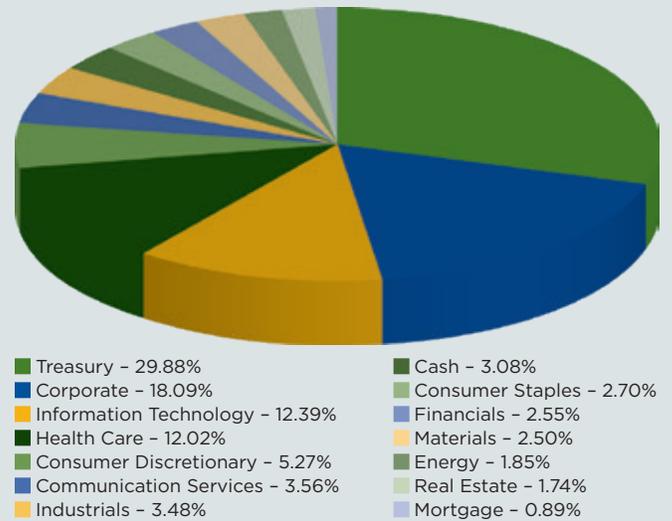
### ANNUALIZED PERFORMANCE OVERVIEW (as of 9/30/2018)

Current YTD – 2018	3.949%
One Year (2017)	13.326%
Three Year	6.149%
Five Year	3.935%
Ten Year	7.613%
Life to Date	7.380%
Inception Date	July 1969

### MARKET VALUE VS. NET INVESTMENT



### SECTOR ALLOCATION



### THE DEFAULT GROWTH STRATEGY

This strategy uses a multi-manager investment strategy. We diversify the managers to provide greater focus in individual areas of each managers' specialty. The investment is diversified over three different asset managers: Active Asset Allocation Manager: Manning & Napier Advisors, LLC; Core (Large Cap) Stock Manager: Dana Investment Advisors, Inc.; and Core Fixed Income Manager: Sage Advisory Service, Ltd.

### OBJECTIVES AND ALLOCATION RANGE

- Overall Portfolio Equity Range: 35%-70%
- Time Horizon: Long-Term
- Proprietary bottom-up asset allocation processes driven by disciplined and time-tested stock selection strategies.

### PRIORITIZED INVESTMENT GOALS

- Primary objective is the pursuit of long-term capital growth, with a goal of meeting the long-term needs of the total portfolio.
- Secondary objective is to preserve capital and dampen year-to-year volatility that could greatly impact the availability of funds for financial needs at the Association's discretion.



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# Account Overview

## MAXIMUM STRATEGY

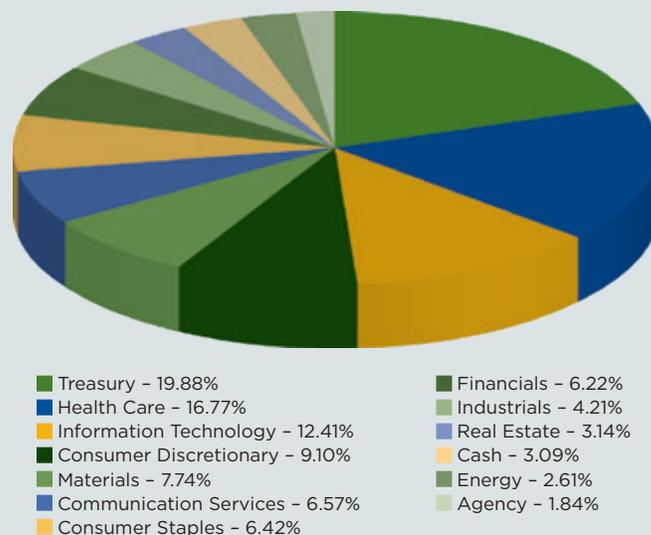
### ANNUALIZED PERFORMANCE OVERVIEW (as of 9/30/2018)

Current YTD – 2018	8.957%
One Year (2017)	23.431%
Three Year	11.757%
Five Year	6.647%
Ten Year	--
Life to Date	8.868%
Inception Date	April 2012

### MARKET VALUE VS. NET INVESTMENT



### SECTOR ALLOCATION



### THE MAXIMUM GROWTH STRATEGY

The main purpose of this portfolio is to pursue growth of capital. The investment guidelines are based upon a very long-term investment horizon, and a willingness to incur significant fluctuations in value in the interim. The portfolio's strategic asset allocation is based on this long-term perspective. Although the portfolio will not be completely invested in stocks at all times, the client's prospects for the future, current financial condition, and several other factors suggest collectively that this portfolio can stand the degree of volatility associated with full stock exposure.

### OBJECTIVES AND ALLOCATION RANGE

- Overall Portfolio Equity Range: 80% to 99%
- Achieve a high level of long-term capital growth comparable with that of the stock market.

### PRIORITIZED INVESTMENT GOALS

This portfolio is primarily concerned with long-term risks, which are reinvestment rate and inflation risks. A large portion of the portfolio will be invested in equities, even when equities, as a class, are not clearly undervalued relative to other asset classes. When equities are clearly overvalued on a risk-adjusted basis relative to other securities, some switching out of stocks and into other asset classes (bonds and other securities) may help produce better long-term returns by reducing periods of extreme volatility. However, since volatility is a lesser concern to this portfolio, protection against reinvestment rate risk is best afforded by equities. This equity participation will also help the portfolio mitigate the long-term effect of inflation. Little can be done to effectively protect against temporary periods of high inflation; however, an orientation with the highest returning asset class (stocks) will, over long periods of time, provide the best return against inflation.



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# Account Overview

## DISCIPLINED VALUE STRATEGY

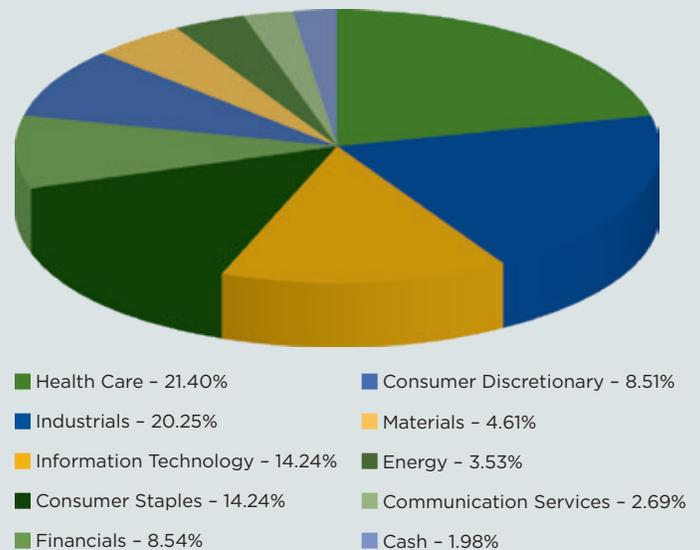
### ANNUALIZED PERFORMANCE OVERVIEW (as of 9/30/2018)

Current YTD – 2018	8.547%
One Year (Jul-Dec 2017)	10.158%
Three Year	--
Five Year	--
Ten Year	--
Life to Date	9.365%
Inception Date	June 2017

### MARKET VALUE VS. NET INVESTMENT



### SECTOR ALLOCATION



### THE DISCIPLINED VALUE GROWTH STRATEGY

This strategy is a value-oriented, systematic investment strategy. The approach is based on identifying attractively valued companies with competitive, sustainable dividends and stable financial health profiles. It is focused on providing favorable downside risk management in adverse markets. The portfolio is generally comprised of mid- to large-cap companies with flexible sector allocation.

### OBJECTIVES AND ALLOCATION RANGE

- Overall Portfolio Equity Range: 95%-100%
- The objective of this strategy is to provide competitive returns consistent with the broad equity markets while also providing a level of capital protection during sustained market downturns.
- Dividend Yield: 2.50% to 3.00% (Range)
- Time Horizon: 15 years or more

### PRIORITIZED INVESTMENT GOALS

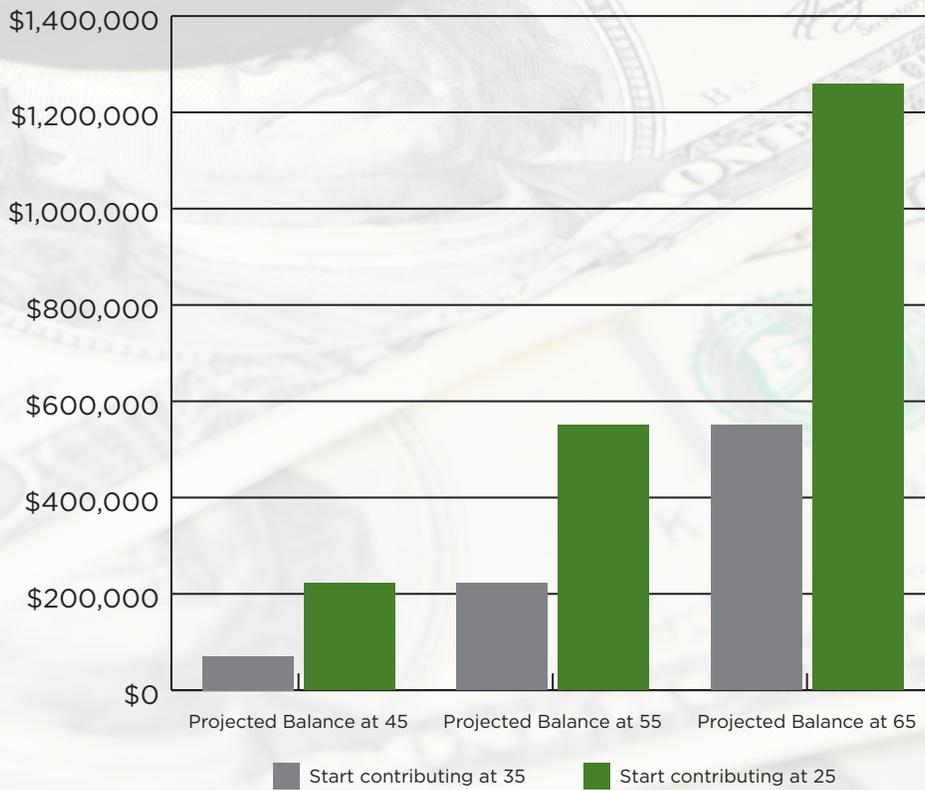
This portfolio is built with forward-looking measures that assess the overall health of a company that help put dividends, free cash flow, and valuation metrics in the right context. Dividends can provide a relatively stable source of returns above and beyond capital appreciation. Free cash flow is the amount of cash that remains after deducting a company's expenditures, which provides a clear picture of the growth of a company.



For up-to-date performance, scan the QR code or visit [www.boardofretirement.com](http://www.boardofretirement.com).



## THE COST OF WAITING



*This is a hypothetical example that illustrates the future value of consistent monthly contributions for different time periods. It assumes monthly contributions of \$375 with an average annual return of 8%. It is presented for illustrative purposes only and does not reflect actual performance or predict future results.*



## WHAT WILL I NEED IN RETIREMENT?

If you begin your retirement years with a balance of \$500,000 dollars, your yearly income varies greatly depending on the length of time you intend to use it. The average retirement lasts 20 to 30 years.

<b>15 YEARS = \$47,448</b>
<b>20 YEARS = \$39,597</b>
<b>25 YEARS = \$35,075</b>
<b>30 YEARS = \$32,209</b>
<b>35 YEARS = \$30,281</b>

*\*All amounts are estimates based on a constant earnings rate of 5%*

## HOW TO GET TO THE \$500,000 STARTING POINT?

Age	Yearly Amount	Retirement Age	Number of Years Saved	Total Contributions	Ending Balance
20	\$2,100	65	46	\$96,600	\$504,207
30	\$3,960	65	36	\$142,560	\$500,021
40	\$7,980	65	26	\$207,480	\$500,392
50	\$18,420	65	16	\$294,720	\$501,261
60	\$67,800	65	6	\$406,800	\$501,302

*\*Based on 6% annual return.*

## HOW WILL MY BENEFITS BE PAID?

There are seven basic settlement options under the plan.

- 1. Joint and 100% Survivor Annuity\***  
*The annuitant and spouse receive a guaranteed set monthly payment for their lifetime. The payment does not decrease after the first death. Payments cease after the death of both the annuitant and the spouse.*
- 2. Joint and Survivor Annuity with 10 or 15 Years Certain\***  
*This form of benefit guarantees payments will be made for at least a specified number of years (you can choose either a 10-year period or a 15-year period). Under this type of annuity, you and your beneficiary will receive monthly annuity payments for as long as you live. However, if both the annuitant and the spouse die before the specified 10-year or 15-year period, the annuity payments will continue for the remainder of the specified period to a beneficiary selected by you.*
- 3. Single Life Annuity\***  
*The annuitant receives a guaranteed set monthly payment for his or her lifetime only. Payment ceases upon the death of the annuitant.*
- 4. Single Life Annuity with 10 or 15 Years Certain\***  
*Under a single life annuity with a 10 or 15-year certain period, guaranteed monthly payments will be made to the annuitant for a least a specified number of years. (You can choose either a 10-year period or a 15-year period). You will receive monthly payments for as long as you live. However, if you die before the specified 10-year or 15-year period is completed, annuity payments will continue for the remainder of the specified period to a beneficiary selected by you.*
- 5. Fixed Installment\***  
*The fixed installment option provides for two types of installment payments:*
  - A specific number of equal monthly payments. The period must be no less than 12 months and no more than your life expectancy.*
  - A specific amount per month, until the funds in your account are exhausted.**If you choose the fixed installment option, any amount remaining in your account after your death will be paid in installments to your beneficiary. If your beneficiary dies before all the installments have been paid, the balance will be paid in a lump sum to your beneficiary's designated beneficiary, or to his/her estate, if there is no designated beneficiary.*
- 6. Lump Sum\***  
*You may choose to receive a single distribution of the total value of your account as a lump sum payment. As an alternative, you may elect to receive a partial lump sum by taking an initial payment of a portion of your account in a lump sum form and payment of the remaining amount of your account in one of the other permitted forms of payment.*
- 7. Rollover\***  
*You may choose to rollover all, or part, of your account balance into another retirement plan of your choosing.*

*\* Federal regulations provide that payments must begin no later than the calendar year in which you retire from Free Will Baptist employment, or the calendar year in which you attain age 70 ½, whichever occurs later.*

# FREQUENTLY ASKED QUESTIONS

## **Q: Who is eligible to participate in the Board of Retirement 403(b)(9) Plan?**

A: All employees of Free Will Baptist churches or agencies, i.e. ministers, missionaries, daycare workers, secretaries, janitors, school teachers, anyone that is receiving compensation from FWB.

## **Q: When is my money available to me under the plan?**

A: Funds are available when a participant attains age 59 ½. Limited circumstances may allow earlier withdrawals.

## **Q: Do I have to retire in order to receive my benefits at age 59½?**

A: No, you do not have to retire in order to close your account once you reach age 59½.

## **Q: Are my pension benefits taxable?**

A: Benefits paid to an eligible minister can be designated as a tax-free housing allowance, subject to IRS rules (See IRS Publication 517 for more details). This is only available through 403(b)(9) retirement church plans. For non-ministers, distributions are taxable when received by the participant. ROTH contribution are tax free at withdrawal as long as you have been in the ROTH program more than 5 years and are over the age of 59½.

## **Q: What if I become disabled before reaching retirement age?**

A: If you are declared totally and permanently disabled, your account balance is immediately available for distribution through one of the settlement options discussed in this brochure.

## **Q: What happens to my account if I die before I retire?**

A: If you are married, your spouse (or other beneficiary) will receive all the money in your account. If your spouse is deceased (or if you are not married), the beneficiaries you have named will receive the amount accumulated in your account. If you fail to designate a beneficiary, the remaining accumulations will be paid to your estate.

## **Q: May I make a contribution in the year that I file my tax return to reduce my taxes for a previous year?**

A: No, all contributions must be received by the Board of Retirement no later than December 31<sup>st</sup> of each calendar year.

## **Q: Is there a provision for “rollovers” from another plan?**

A: You can roll money into your retirement account from other 403(b), 401(k), Traditional individual retirement account (IRA), or ROTH IRA. Please contact the Board of Retirement to obtain the proper forms to allow for such a “rollover” of funds.

## **Q: Does my spouse have to be the primary beneficiary?**

A: Yes, unless your spouse signs a spousal waiver or a Qualified Domestic Relations Order is in place. Others may be named as secondary beneficiaries.

## **Q: Is there a maximum amount that I can contribute yearly?**

A: With some stipulations a participant in the Board of Retirement Plan can contribute up to 100% of his/her compensation. A worksheet is available from the Board to calculate contribution limits.

## **Q: If I contribute through the Salary Reduction Agreement method and change employers, what is the proper procedure?**

A: A new Salary Reduction Agreement Form must be completed with the clerk/treasurer of the new employer/congregation.

## **Q: Is my retirement account guaranteed by any agency of the federal government?**

A: No, the Board of Retirement's Plan is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

## **Q: What types of companies will my money be invested in?**

A: Investments are not permissible in any company that is publicly recognized (as determined by the Board of Retirement) as being in the liquor, tobacco, gambling, or pornography industry, The Walt Disney Co. or any company whose products, services or activities are publicly recognized as being incompatible with the moral and ethical posture of Free Will Baptist. The funds may not be able to take advantage of certain investment opportunities due to these restrictions.

## **Q: Does my employer have to contribute?**

A: Your employer is strongly encouraged to contribute to your retirement plan, but is not required to do so.

## **Q: What if I have other questions?**

A: If you have any additional questions, please contact us by phone at (877) 767-7738, by email at [boardofretirement@nafwb.org](mailto:boardofretirement@nafwb.org), or on the web at [www.boardofretirement.com](http://www.boardofretirement.com)

**FINANCIAL ADVISORS:** Neither the Board of Trustees nor the staff of the Board of Retirement are engaged in rendering financial advice, legal advice, or other financial planning services. If such advice is desired or required, the services of a competent professional should be sought.

**NON INSURED:** The retirement account provided by the Board of Retirement, and administered by the Board of Retirement, is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency.

**WITHDRAWALS:** Withdrawals are processed after earnings/losses are posted for the month in which the request was received. Regularly scheduled monthly distributions will not change and such will be directly deposited to a member's bank account on the first business day of each month.

**SECURITIES LAWS:** The Board of Retirement or any company or account maintained to manage or hold assets of the Plan and interest in such Plan, companies or accounts (including any funds maintained by the National Association of Free Will Baptists Board of Retirement) is not subject to registration, regulation or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code or state securities laws. Therefore, the Plan participants and beneficiaries will not be afforded the protections of those provisions.



# WHAT MAKES BOARD OF RETIREMENT THE RIGHT CHOICE?

## WHY SHOULD I USE AN EMPLOYER BASED PLAN, 403(B)(9) INSTEAD OF AN IRA?

The main reason is fees. Most people don't understand that 403(b) and 401(k) are employer retirement plans. Since they operate as a group then there are large savings to be had not only in plan administration but also in investment fees. Think of it as wholesale vs. retail. National average for investment fee (only) on an IRA is 1.33% for a 403(b) (9), like the Board of Retirement is around 0.54%. Other reasons employer base retirement systems are better are contribution limits. Where IRAs are maxed out at \$6,000 (2019) in yearly contributions, employer based plans can receive \$19,000 in Salary Reduction Contribution (2019) and total contributions of \$56,000 per year. Employer based plans also function at a more competitive level than IRAs.

## WHAT MAKES BOARD OF RETIREMENT BETTER THAN OTHER PLANS?

- No commissions for new accounts or assets
- No direct fees
- Participants are looked after from Biblical standards first, IRS standards second
- Investments follow guidelines voted by FWB
- Educational resources for personal finances based in Biblical doctrine
- Housing Allowance for ordained employees (403(b)(9) church plans are the only ones that can offer this benefit)
- Staff that truly care for your retirement planning

## WHY DO I NEED RETIREMENT?

While the idea of being able to work forever and have no need of retirement income might appeal to some, the reality is that we may not have the opportunity to continue working. Health concerns may play a factor, but lack of availability may also be a key driver. Retirement doesn't mean that you no longer work, but rather you are free to do the work you have always desired to do, but no one would pay you to do. In retirement you are basically employing yourself. Board of Retirement is working to help you become your own boss.

## WHY SHOULD I START NOW?

In retirement savings there are only a few things you are able to control: How much you invest, where you invest, and how long you invest. The longer you wait to begin the less control you have over the time portion of the growth process. With less time that means larger contributions have to be made in order to get you to the level you need to reach your goals in retirement.

# WHAT OTHERS HAVE SAID ABOUT OUR PLAN

One must exercise discipline to face retirement realistically, fund retirement responsibly, and find retirement resources. I shall forever be grateful for the vision that prompted Free Will Baptists to establish a retirement program and would encourage you to get more information about what it can do for you.

*Melvin Worthington Th.D., Ed.D., CMP*

Brenda and I look forward to receiving our money on the first of each month. The annuity choice settlement gave us peace of mind and as we receive a lifetime of income for both of us.

*Bill Evans*

When Welch College ended its long-standing pension plan, we began our involvement with the Board of Retirement, with whom I had been investing for many years as a minister. I confidently recommend the Board of Retirement to our employees and others, not just because of their wise investment strategy but because of the rock-solid integrity of their staff.

*Matt Pinson, President, Welch College*

**FREE WILL BAPTIST BOARD OF RETIREMENT**

**P.O. Box 5002 • Antioch, TN 37011-5002 • 877-767-7738 • [www.boardofretirement.com](http://www.boardofretirement.com)**