



"From Where I Sit ..."

A Follow Up on the CME 403(b) Plan

In my article published in the June 2015 issue, the rollout of the "revised" CME 403(b) plan was announced. Since that time, participation in the plan has grown by 250% and we are still receiving inquiries seeking information on how to enroll. Now that the Plan has been fully rolled out, this article will provide additional information concerning enrollment.

First it is important to note that the 403(b) Plan is a companion to the CME Retirement (*Money Purchase*) Plan. The CME Retirement Plan is structured for the Church (*either local or connectional*) to pay into the Plan an amount equal to 12% of the employee's annual salary. As such the CME Retirement Plan is considered a fully "employer" sponsored "defined contribution" plan. As mentioned in the June 2015 article, the 403(b) Plan was formed to allow these Retirement Plan participating employees to make additional payments for their retirement through salary reduced, tax deferred contributions (*Roth contributions are also available*). Additional benefits of the 403(b) Plan include the opportunity to self-direct the investments of the contributions, 24-hour online access to your account, and the opportunity to borrow against the account. Under this scenario a local church will pay 12% into the CME Retirement Plan AND you may contribute an additional amount (generally on a monthly basis) toward your retirement.

The specific guidelines for participation in this revised CME 403(b) Plan are as follows:

- 1) To enroll, a 403(b) participant must also be an enrolled participant in the CME Retirement Plan with active contributions paid within the current year.
- 2) A 403(b) participant must be a W-2 paid employee. (*This is necessary because the 403(b) contributions are required to be tracked through individual W-2's so the government can properly recognize the contributions and the benefits.*)
- 3) To participate in this Plan, 403(b) withholdings must be paid through an online method allowing a direct deposit to our account. (*Third party payroll preparers such as Paychex, ADP and others may accomplish this transaction or certain payroll software programs may also allow these contributions to be processed by local churches.*)
- 4) 403(b) participants must also have personal online access in order to enroll in the Plan, monitor and revise their investments, adjust their contributions, revise their beneficiaries, and receive applicable investment prospectus updates.

Additional information is also available by contacting our office at (901) 345-4100 or the Plan's Financial Advisor, Stuart Weinstein at (800) 888-4299.

I ended my June 2015 article with the following quote which also seems appropriate for this article: *"With over 1,000 [current Retirement] participants ... it would appear that this Plan has the potential to experience significant growth. And the best part is that CME participants will be saving even more for their retirement. Or at least that's the way it looks to me ..."*

"From Where I Sit"

Tyrone T. Davis, D.Min, is the General Secretary of the Board of Personnel Services

(Copies of earlier articles may be found on the

Personnel Services Webpage of the CME Website at www.thecmechurch.org)