
Benefit Plans

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MMBB has managed entrusted resources “for the better maintenance of the ministry” since 1911. What began as a simple trust fund has evolved to a comprehensive benefits suite uniquely designed for churches and related organizations. Many plans, but one passion: protecting the most members with the best possible benefits—delivered with MMBB’s signature level of personalized service.

Core Features

The MMBB retirement plans are available to every employee of an eligible employer, whether ordained or lay, full-time or part-time. Each plan, established under Internal Revenue Code Section 403(b)(9), offers:

- tax-deferred contributions;
- tax-deferred investment returns;
- a range of professionally managed investment choices; and
- loan and withdrawal features.

Each contribution to these plans buys accumulation units at a price that changes each day based on investment performance. Members direct investment of their accounts among a diverse range of MMBB investment choices.

Unlike commercial retirement plans, an Internal Revenue Service (IRS) private letter ruling allows MMBB to designate the monthly income for retired or disabled clergy as eligible for the housing allowance designation.

This valuable tax exemption is available up to the lesser of the fair rental value of the furnished home, plus utilities, or the actual annual housing expense.

At retirement, members convert part or all of their accounts to monthly income (a variable annuity). They purchase a fixed number of annuity units, determined by the dollar amount converted, the current annuity unit price and the specifics of the annuity chosen, including the member’s age. Annuities provide monthly income for life, with the member’s choice of a single-life or joint and survivorship annuity, with or without the 120-month certain guarantee.

LIFE-CHANGING BENEFITS

Benefits for Life

The Benefits for Life program, an employer-funded plan, is MMBB’s most comprehensive benefit program. The program includes two plans working in concert to increase the financial security of members and their families.

Employers pay Benefits for Life premiums equal to a percentage of employee compensation. Members invest the portion directed to their account among the diverse range of MMBB investment choices.

During the working years, Benefits for Life builds retirement assets and provides disability income protection through the Retirement Plan. Disability benefits include

monthly disability income up to two-thirds of working income when combined with government benefits; child allowances; subsidized Benefits for Life premiums; and, if eligible, health insurance premiums.

Benefits for Life also provides group term life insurance protection through the Death Benefit Plan, which includes from one and a half to five times pay, up to the maximum compensation amount; up to two years of health insurance premiums, if eligible; and a guaranteed minimum for surviving spouses.

In 2008 there were 19 deaths of preretired members, totaling \$1,601,654.70 in lump-sum benefits.

In retirement, Benefits for Life provides:

- retirement benefits as described in “Core Features” on page 13; and
- a \$4,000 benefit upon the death of a member who retired as a premium-paying Benefits for Life member with at least 15 years of membership.

In 2008 there were 96 deaths of eligible retired members, totaling \$374,000 in benefits.

Tax-Deferred Annuity

The Tax-Deferred Annuity (TDA) is an employer-funded plan that:

- supplements employees’ other sources of retirement income;
- helps pastors who live in parsonages build assets for housing in retirement—sometimes called an “equity” allowance (subject to plan provisions);
- accumulates tax-deferred retirement savings until withdrawal; and
- says “thank you” for loyal service.

Some employers use TDA to encourage retirement savings by matching employee contributions to The Annuity Supplement (TAS). Unlike Benefits for Life, TDA does not include disability income protection and life insurance.

The Annuity Supplement

With The Annuity Supplement (TAS), employees can:

- increase their retirement security;
- reduce their taxable income;
- start or stop contributions at any time;
- change contributions as often as once each quarter; and
- save as little as \$10 per month or as much as the IRS will allow.

Pre-tax TAS contributions reduce current federal, state and local income taxes, and are excluded from Social Security/Medicare taxes for ordained ministers. Pre-tax or after-tax contributions can be made through convenient payroll deduction. Employees who prefer can send after-tax contributions directly to MMBB.

Rollovers to MMBB

Before or after retirement, members with retirement accounts in multiple places can roll over qualified funds, tax free, to a TAS account at MMBB. MMBB can accept assets from:

- traditional IRAs;
- 457 governmental plans; and
- 403(a), 403(b), 401(a) and 401(k) plans.

When members consolidate money with MMBB, they simplify their lives but also diversify their investments through the Balanced Fund—MMBB’s largest and most diversified fund—and other investment choices. Retired clergy may receive income from their rollover accounts tax free to the extent it is eligible to be designated as a housing allowance.

Health and Long-Term Care Insurance

MMBB also sponsors medical and dental insurance for contributing Benefits for Life and/or TDA members, as well as medical insurance that supplements Medicare. Information on long-term care insurance is also available.

For more information about MMBB benefits and service, call MMBB at 800.986.6222 or visit www.mmbb.org.