

**GL-5**

- Internal Revenue Service (IRS) regulations limit the amount of pre-tax elective deferral contributions (salary reduction) to plan such as the Member Contribution Plan.
- The amount in the Salary Reduction Agreement is only attributable to compensation earned after the agreement is in effect. For example: You are a new Member Contribution Plan member and choose to contribute \$2,000 this year. Your agreement is completed and signed by you and your employer February 15 to have withholding from your pay beginning March 1. Billing for your elective deferral Member Contribution Plan contributions will be established at \$200 per month (\$2,000 divided by 10 months) effective March 1. Any amount withheld prior to March 1 and submitted to MMBB would be treated as after-tax, if applicable.
- A change of employment terminates any prior Salary Reduction Agreement with your previous employer. A new Salary Reduction Agreement must be executed with your new employer if you wish to continue Member Contribution Plan contributions.
- The Member Contribution Plan is a 403(b) retirement plan. Participation in 401(k), SIMPLE, and SEP plans and other 403(b) retirement plans while in your current denominational or affiliated group service may impact the amount you may contribute to the Member Contribution Plan. It is essential that you provide MMBB and your employer with accurate information regarding your participation in any of these plans while serving a church or organization in your current denomination or affiliated group.
- There is an IRS imposed annual limit on the amount you can contribute on a pre-tax basis within the calendar year, including all 403(b), 401(k), SIMPLE and SEP plans. The limit for 2015 is \$18,000. This limit is subject to change each calendar year, indexed for inflation. This is the regular annual contribution limit.
- If you have 15 or more years of service within your current denomination you may be permitted to contribute an additional amount of pre-tax contributions up to a calendar year limit of \$3,000. Other maximum annual contribution limits apply. This is referred to as the 403(b) special catch-up contribution.
- If you are age 50 or older you may contribute an additional amount of pre-tax contributions. This contribution is permitted only upon reaching the limits on the regular annual contribution and 403(b) special catch-up contribution discussed above. The limit for 2015 is \$6,000. This limit is subject to change each calendar year, indexed for inflation. This contribution is permitted to exceed other maximum annual contribution limits. This is referred to as the age 50 catch-up contribution.

Compensation earned from your current denomination or affiliated group employers is used to determine contribution limits for Internal Revenue Code Section 403(b) plans maintained by MMBB, such as the Member Contribution Plan. Additional income generally not taken into account as compensation to determine Code Section 415(c) contribution limits includes:

- Income from employers not related to American Baptist Churches or affiliated groups.
- An inheritance
- Money received as a "gift" (as defined in Code Section 102)
- Income from rental property or sale of real estate
- Pension benefits from any source (including Social Security and MMBB-administered Benefit Plans)
- Income from stock dividends.
- Health insurance premiums withheld from employee's pay not reported as taxable income.

**Please return this completed form to:**

**The Ministers and Missionaries Benefit Board**

475 Riverside Drive, Suite 1500 New York, NY 10115-0032

Phone: 800.986.6222 Fax: 800.986.6782 Web: [www.mmbb.org](http://www.mmbb.org)