



## APPROACHING RETIREMENT

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Preparing  
for Your  
Retirement  
with MMBB

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**MMBB**

A Financial Services Ministry™

# APPROACHING RETIREMENT

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The decisions you make about retirement are important and good planning can make a big difference. This brochure explains what you can expect in retirement from MMBB and how to select the annuity options that are right for you.

# GETTING STARTED

## What is an annuity?

Your MMBB annuity is, in its simplest terms, monthly income for life.

## When Should I Retire?

**There is no required retirement age for MMBB members.** Naturally, the earlier you retire, the lower your benefits will be over the long haul. As long as contributions are being made to one of our retirement plans—the Comprehensive Plan, Member Contribution Plan and/or the Retirement Only Plan—the total annuity units available to you at retirement will continue to accumulate . . . and the amount from which your annuity income will be calculated will continue to grow.

Your monthly Social Security retirement benefits will also increase if you delay retirement past the full retirement age. The retirement age after which full benefits are available is being increased gradually from age 65 to age 67.

## How can I increase my retirement income?

You may roll funds into MMBB accounts from IRAs, 401(k)s, and other retirement accounts from prior employment.

Consolidating your accounts will provide more funds to convert to annuity income.

## I'm ready to retire. How do I set up my MMBB Annuity?

At least 90 days before your retirement date, notify MMBB by calling 800.986.6222.

We will send you a form for Annuity Selection (Form R-2b). You will also receive two sets of estimates (Form R-2a) of your Comprehensive Plan annuity: one based on the total value of your Comprehensive Plan account and the second based on the minimum amount you must convert to an annuity with the balance remaining invested. You can request an estimate for any amount between the minimum and your total account balance. The estimates will give monthly annuity amounts for the first year and details on different payout options available. If you have a Member Contribution Plan (TAS) and/or Retirement Only Plan (TDA) account, you will also receive application forms (R-9b and/or R-10b) with estimates and payout options, along with the current dollar value of the accounts. If you wish to convert your Member Contribution Plan (TAS) or Retirement Only Plan (TDA) account to annuity income, please complete and return those forms as well.

### How much of my retirement savings should I convert to an annuity?

MABB allows you the flexibility to annuitize all or part of your retirement savings—and if you have the Member Contribution Plan (TAS) and/or Retirement Only Plan (TDA) accounts, those can be annuitized separately, on a timeline that works for you. Depending upon your employment status, government regulations require you to start receiving minimum withdrawals from any unconverted account by April 1 of the year following the year in which you reach age 70½.

### Do I want a single-life annuity or a joint and survivorship annuity?

A single-life annuity provides income only for your lifetime, while a joint annuity is designed to provide income for the lifetimes of both a married member and his or her spouse (though these annuities are not only for married couples ex: Domestic partners). If you elect a joint annuity, the monthly payment amount will vary depending upon your choice among the three options outlined on page 6.

#### **I've decided not to convert my entire account into an annuity... now what?**

Any funds you choose not to convert into an annuity remain in your account, where they will continue to share in MABB's investment experience. You will continue to select how to invest that money from our investment funds—and your quarterly statements will continue to be available online.

ANNUITY TYPE	WHAT BENEFITS DOES IT OFFER?
Single-life	Income only for your lifetime
Joint and survivorship: <b>100%</b> to either survivor	<ul style="list-style-type: none"> <li>• Income for the lifetimes of both a married member and his/her spouse</li> <li>• Smallest monthly income of the 3 joint and survivorship options</li> <li>• Monthly payments will continue at 100% for as long as either or both of you live</li> </ul>
Joint and survivorship: <b>80%</b> to either survivor	<ul style="list-style-type: none"> <li>• Income for the lifetimes of both a married member and his/her spouse</li> <li>• When either spouse dies, monthly payments continue at 80% of the payout amount for the survivor's lifetime</li> </ul>
Joint and survivorship: <b>60%</b> to your spouse	<ul style="list-style-type: none"> <li>• Income for the lifetimes of both a married member and his/her spouse</li> <li>• If you die first, monthly payments to your spouse continue at 60% of the payout amount for his/her lifetime; if your spouse dies first, your monthly payments are unaffected and continue at 100% for as long as you live</li> </ul>

MMBB's Senior Benefits Specialists can help you select the annuity that's right for you—just call 800.986.6222 for assistance.

### May I choose any type of annuity, regardless of my marital status?

Yes, but if you are married, your spouse's written consent is required when you select your annuity payment option.

### No matter what happens: MMBB guarantees 120 months (10 years) of payments!

No matter which annuity you choose, MMBB guarantees you 120 monthly payments (10 years), unless you choose otherwise. This means that if you and any joint annuitant die before all of the 120 monthly payments have been made, your beneficiaries will receive the remaining payments—or a settlement for the value of the remaining payments.

## AFTER YOU RETIRE

### How is my annuity determined?

MMBB's annuity is a variable annuity. This means that the amount paid to annuitants may increase or decrease each year, depending upon MMBB's investment results. Each November, you will receive a "Report of Your Annuity Payments" showing the number of annuity units you have, the payout value of the annuity unit and the amount of your annuity payments for the next calendar year.

### Income taxes in retirement

In January of each year, MMBB will send you a 1099-R form—which will also be filed with the IRS—showing your gross annuity income for the preceding year and the taxable amount. Any personal after-tax contributions you made to your accounts are not taxable in retirement. You will be notified of the amount of these contributions shortly after you retire and they will be indicated in the 1099-R form.

### I'm ordained...how does this affect my taxable income?

For ordained members, 100% of your MMBB annuity and any withdrawals (excluding loan defaults) is designated as housing allowance and, therefore, is not

### Can MMBB withhold taxes from my annuity?

If you would like federal taxes withheld, just ask MMBB for a Form W-4P ("Withholding Certificate for Pension or Annuity Payments") and we will withhold taxes from your annuity payments. If you would like state taxes withheld, just ask MMBB for a Substitute State Withholding Certificate. In both cases, once we receive your completed forms, we will withhold the amounts you indicate.

subject to federal income taxes if (1) your housing expenses, or (2) rental value of your home, fully furnished—plus utilities—are equal to or greater than your annuity income, plus any distributions.

**Please note:** If your annuity or any withdrawals include amounts from rollovers or contributions not eligible for the housing allowance designation, that portion will not be eligible for the housing allowance designation when paid to you.

The designation of the MMBB annuity as housing allowance does not continue for a surviving spouse or other joint annuitant after an ordained member dies. For lay annuitants and widowed or surviving spouses, the total annuity amount will be taxable and federal income taxes can be withheld.

## Social Security Income

You can request an estimate of benefits from Social Security at any time by calling **800.772.1213**. When you notify them of the date on which you wish to begin your retirement benefits, they will advise you of the specific amount you will receive, and, if you are married, your spouse's benefit.

If you continue to work in retirement, you will have to pay Social Security taxes on income from employment. Ministers must pay Social Security taxes on any earnings from self-employment over \$400 annually. Your MMBB annuity and Social Security retirement benefits are not subject to Social Security taxes. If your adjusted gross income in retirement is over a given threshold amount, your Social Security retirement benefits may be subject to federal income tax. More information is available at the Social Security website, [www.ssa.gov](http://www.ssa.gov).

## Is there a death benefit for my beneficiaries beyond my annuity?

There is a tax-free death benefit from MMBB if you retire with active status from at least 15 years of premium-paying membership in the Comprehensive Plan. The beneficiary you name will receive \$8,000. This benefit is over and above any annuity income your spouse or other joint annuitant will receive,

## If you chose a joint and survivorship payout option at retirement.

If both you and your spouse die before withdrawing or converting any remaining account balances into an annuity, the value of the remaining account will be payable to the beneficiaries you name.

## Do I need to complete any beneficiary forms?

No, but if you complete a beneficiary form, the funds will be paid directly to whomever you name as a beneficiary without having to go through your estate. If you do not fill out any beneficiary forms, the accounts will be payable to your estate.

## Can I still work after I retire?

You can secure other employment without affecting your annuity—and you may even be eligible to participate in Member Contribution Plan (TAS) and Retirement Only Plan (TDA) if you are employed.

## What about medical benefits?

For those who retire at age 65 or older and participate in Social Security, Medicare will be the primary health care plan. MMBB sponsors a Medicare supplement—The Hartford Life Senior Medical Insurance Plan—for its retired members. It is important to note that current government regulations prohibit the purchase of more than one Medicare supplement policy.

### I still have questions!

MMBB's Senior Benefit Specialists are experts in all aspects of investing and retirement planning. They can help you understand your investment options and plan for your future—and they are waiting to hear from you! Call **800.986.6222** or email [service@mmbb.org](mailto:service@mmbb.org).

### Retirement Checklist

- Call MMBB to request appropriate forms
- Return completed forms to MMBB
- Call Social Security to let them know I am retiring
- Have I received Forms R-2a (two estimates of my annuity\*) and R-2b (Application for Retirement Benefits) from MMBB?

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\*One estimate is based on the total value of your Comprehensive Plan account; the other is based on the minimum amount you must convert to an annuity with the balance remaining invested.





MABB

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