

Instructions for Completing the Rules and Procedures for Eligibility and Contribution Form

The *Basic Plan Document* and *Adoption Agreement* require the Sponsoring Employer and each Participating Employer (“Employer”) to document certain plan provisions in a separate rules and procedures document. The *Rules and Procedures for Eligibility and Contribution* form is designed to help you document the required provisions; however, you may use a different method to document these provisions other than the attached form. For example, these provisions may be documented in a handbook format instead of completing the checklist. If you decide to use a handbook format, you should include an Effective Date for the changes as well as a “Rules and Procedures Execution” section as shown on the last page of this checklist. You may also attach a separate sheet to this form if you need additional space to document certain provisions.

You should keep all versions of your *Rules and Procedures for Eligibility and Contribution* as historical plan documents. Do NOT return this form to GuideStone.

Completing the *Rules and Procedures for Eligibility and Contribution*

1. In the first blank, enter your organization’s legal name.
2. Select the appropriate plan and, if necessary, complete the name of the Plan as it appears in the *Adoption Agreement*.
3. Enter the Effective Date of the rules and procedures. For *The Advantage Retirement Plan for Churches and Missions*, the Effective Date cannot be earlier than the date the *Participating Employer and Recordkeeping Services Agreement* is signed. For the 403(b)(9) Retirement Plan, the Effective Date cannot be earlier than the Effective Date shown in the *Adoption Agreement*.

Section 1 – Compensation

Compensation is the salary or wages you will use to calculate Contributions to the Plan. Since most Contributions are expressed as a percentage of Compensation, it is important that you carefully consider how you will define Compensation. If you want to exclude any adjustments listed on the right, ensure your payroll system or provider can accommodate those adjustments.

1. Select a basic definition of Compensation from the three options on the left. Use the definitions in the *Basic Plan Document* to help you determine which option works best.
2. If you use “Base Wages”, you will need to define “Base Wages” somewhere, such as in an employee handbook.
3. For each option on the right, select whether you will include or exclude the type of payment when you calculate Contributions. Use the *Basic Plan Document* to help you define Differential wage payments and Post severance payments.

Section 2 – Employee Contributions (From Their Own Pay)

Section 2 only applies to Contributions Employees may make from their own pay. As a church or qualified church-controlled organization, you are not required to allow all Employees to make Contributions. Allowing an Employee to make his or her own Contributions does not make them eligible for Employer Contributions (see Section 3 below).

All Employee Contributions to the Plan must come through the Employer. Personal checks to GuideStone are not allowed.

- A. This section allows you to document which Employees are allowed to make their own Contributions. When using an “Other” option, be specific in describing who is to be eligible. You can select more than one option under 2 or 3.
 1. Select 1 if all Employees may make Contributions to the Plan.
 2. Select 2a if you want to limit eligibility to Employees who work more than a specified number of hours each week, month or year. If you use this limitation, you must keep records of how many hours are worked by each Employee. Select 2b if you want to limit eligibility based upon Service (Example: Only full-time Employees are eligible).
 3. Option 3 is for excluding based upon classification of Employee (Example: Preschool workers are excluded).
- B. If you selected anything other than 1 (All Employees will be eligible) above, indicate when an Employee may begin making his or her own Contributions once he or she becomes eligible. Most organizations will select 1 (The first day the Employee meets the Plan’s eligibility requirements). If you want anything other than “first day”, select option 2 and clearly describe when an Employee may make Contributions once eligible.
- C. All plans allow eligible Employees to make Tax-sheltered (pretax) Contributions. Check the appropriate box if you want to allow Roth Elective Deferrals and/or Tax-paid Contributions to the Plan.
- D. You may add an automatic enrollment feature to the Plan by checking one of the boxes and completing an addendum containing the automatic enrollment provisions. Contact GuideStone if you want to add automatic enrollment.

Section 3 – Employer Contributions

Section 3 only applies to Contributions made by the Employer on behalf of eligible Employees.

- A. Eligibility for Employer Contributions. As a church or qualified church-controlled organization, you may exclude any Employee from receiving Employer Contributions by indicating below the criteria for receiving Contributions. If all Employees are eligible for Employer Contributions, select 1. You may select multiple options for 2, 3 or 4.
1. Select 2a if Employees must be a specific age prior to receiving Employer Contributions.
 2. Select 2b and indicate the number of months of Service an Employee must satisfy prior to receiving Employer Contributions.
 - a. If you are affiliated with a denomination or if you are a Participating Employer in the Plan, indicate in 2bi whether you will credit prior Denominational Service toward the Service requirement.
 - b. Indicate in 2bii whether an Employee who terminates and is rehired will receive credit for prior Service with your organization.
 3. You may exclude certain Employees based on the number of hours worked in a week, month or year. You must keep records of hours worked if you use this provision.
 4. Complete "Other" if you want to exclude Employees based on job classification, such as administrative staff. If you use this provision, you should define the different job classifications you use in the organization and ensure that all personnel records reflect each Employee's classification.
- B. Types of Employer Contributions. As a church or qualified church-controlled organization, you may have different types or levels of Contributions for different categories of Employees, but this approach will increase your administrative burden and the risk of errors in calculating Contributions. If you want to limit the application of any type of contribution to a category of Employee or job classification, note the limitation on the form next to the type of contribution. For example, if you want to limit the Non-matching to the senior pastor, select 2a, complete the percentage of contribution and add "For senior pastor only" at the end.

Section 4 – Rules and Procedures Execution

The selections on this form should be approved by your organization's governing body prior to implementation. Complete all of the blanks and have the form signed by the appropriate authorized officer or representative.

Amending Provisions

Once this form has been completed and approved, you can change the provisions by completing a new form with a new Effective Date. You should complete the entire form so that all provisions are on a single form. The new form should also be signed by your organization's governing body prior to the Effective Date of the change.

If you have any questions about completing this form, please contact GuideStone at **1-888-98-GUIDE** (1-888-984-8433).

I acknowledge that the ministry must develop and maintain the Plan provisions listed in this Rules and Procedures form, and that we should keep records of all provisions as part of the Plan's historical records.

Rules and Procedures for Eligibility and Contribution

With this document, _____ ("Employer") sets forth its rules and procedures under the provisions of (select one and complete any blanks):

- The 403(b)(9) Retirement Plan ("Plan") for _____ (name of Employer).
- The Advantage Retirement Plan for Churches and Missions.

The Plan incorporates these rules and procedures under the *Basic Plan Document*.

Words that are capitalized in this document are defined terms, which have the same meaning as used in the *Basic Plan Document*.

The Effective Date of these rules and procedures is _____, 20____. These rules and procedures remain in effect until they are changed* by the Employer.

Only Employees who receive W-2 income are eligible to participate in the Plan.

*According to the IRS, the Plan must be kept accurate with what the Employer is actually doing. In the event of a change, the rules and procedures must be updated **prior** to the change.

SECTION 1 – COMPENSATION (ARTICLE II IN THE BASIC PLAN DOCUMENT)

Check all items to be considered as Compensation for purposes of determining Contributions to the Plan:

Basic definition of Compensation:

- W-2
- Adjusted W-2
- Base wages

Adjustments to the basic definition of Compensation:

- | | | |
|------------------------------|----------------------------------|----------------------------------|
| Bonus payments | <input type="checkbox"/> Include | <input type="checkbox"/> Exclude |
| Overtime payments | <input type="checkbox"/> Include | <input type="checkbox"/> Exclude |
| Minister's housing allowance | <input type="checkbox"/> Include | <input type="checkbox"/> Exclude |
| Differential wage payments | <input type="checkbox"/> Include | <input type="checkbox"/> Exclude |
| Post severance payments | <input type="checkbox"/> Include | <input type="checkbox"/> Exclude |

SECTION 2 – EMPLOYEE CONTRIBUTIONS (FROM THEIR OWN PAY)

A. Check the Employees who will be eligible to make Tax-sheltered Contributions and/or Tax-paid Contributions, including Roth Elective Deferrals if allowed:

- 1. All Employees will be eligible.

Or

- 2. Only Employees who meet the following Service requirements below will be eligible:
 - a. Expected and/or regularly work _____ hours or more per _____ (week, month, year)
 - b. Other: _____

Or

- 3. Other: _____

B. Check when an eligible Employee can begin participation in the Plan:

- 1. The first day the Employee meets the Plan's above eligibility requirements
- 2. Other: _____

Tax-sheltered Contributions

While employed with the Employer, an eligible Employee may make Tax-sheltered Contributions to the Plan.

C. In addition to Tax-sheltered Contributions, eligible Employees may make the following types of Contributions:

- Roth Elective Deferrals
- Tax-paid Contributions

D. Automatic Enrollment

- The Plan does not provide for Automatic Enrollment
- Automatic Contribution Agreement (See addendum)
- Eligible Automatic Contribution Agreement (See EACA addendum)

Continued on other side



SECTION 3 – EMPLOYER CONTRIBUTIONS

A. Check the Employees who will be eligible to receive Employer Contributions to the Plan:

1. All Employees will be eligible.

Or

2. Only Employees who meet the Service requirements checked below will be eligible:

Select all that apply:

a. Must be age _____ or older

b. Must complete _____ months or more of Service

i. Past Denominational Service of new hires will will not be counted.

ii. Past Service of former Employees who are rehired will will not be counted.

3. Expected and/or regularly work _____ hours or more per _____ (week, month, year)

4. Other: _____

B. Check the types of Employer Contributions that will be provided to eligible Employees (as defined above):

1. Matching Contributions (select one of the following options):

a. A Matching Contribution equal to the Participant's Contribution, but not to exceed a maximum of _____% of Compensation (e.g., 10%)

b. A Matching Contribution equal to _____% (e.g., 100%) of the Participant's Contribution, but not to exceed a maximum of _____% of Compensation (e.g., 10%)

c. A Matching Contribution of _____% for every _____ year(s) of completed Service up to a maximum of _____ years

d. Other: _____

2. Non-matching Contributions (select one of the following options):

a. Fixed percentage equal to _____% of the Participant's Compensation

b. A Non-matching Contribution of _____% for every _____ year(s) of completed Service up to a maximum of _____ years

c. Other: _____

No additional requirements exist to receive Employer Contributions.

SECTION 4 – RULES AND PROCEDURES EXECUTION

By signing below, the Employer by its duly authorized officer or other representative, hereby agrees to the rules and procedures of the Employer as indicated above. The Employer, by its duly authorized officer or representative, has executed this document on this _____ day of _____, 20_____.

Name of Employer: _____

Authorized officer or representative signature: _____

Printed name: _____

Title: _____

This document should be completed and retained by the Employer. Please do not send this document to GuideStone.