

403(b)(9) Retirement Plan

For Southern Baptist Churches
Plan Summary

January 1, 2009

Overview

Your retirement plan

Your church offers this 403(b)(9) retirement plan to help you save for your retirement. Contributions can be made to the plan as tax-sheltered and/or tax paid (including Roth elective deferrals).

Details about how the plan works are contained in this summary. While this summary describes the main provisions of the plan, it does not include every detail or limitation. Every attempt has been made to give you accurate and understandable information about the plan. If, however, there is a disagreement between this summary and the official plan document, the plan document will control.

When this summary refers to a “minister,” it generally means a minister for tax purposes. For more information about who is a minister for tax purposes, see our manual, *Ministers Tax Guide*. You’ll find more information in our brochure, *Ministerial Tax Issues*. Both of these publications are available on our Web site or by contacting GuideStone for a free copy.

Eligibility

How you become a participant in the plan

Any person who is in paid employment receiving W-2 taxable income from a church, school or an association may be eligible to become a participant in the plan. The church may have eligibility conditions that must be met first. Please check with your church to learn more about those conditions.

Contributions

You, your church and your state convention may all contribute to your retirement account. Contributions to the plan are generally based on a percentage of your compensation defined as:

- Wages or compensation you earn from your church prior to termination of service, and;
- The tax-sheltered contributions you make to this plan and certain other plans.

In addition, contributions may also be based on “regular compensation” received by the end of the tax year in which you terminate or 2 ½ months after the end of the tax year in which you terminate, if that is later.

If you are a minister for tax purposes, your compensation may also include your housing allowance designated according to applicable law.

Your church's contributions

While you are in paid service with a church, your church may make contributions to the plan on your behalf within the limits imposed by the IRS.

State convention retirement contributions

Ministers — if your church meets the eligibility requirements established by your state convention:

- Some state conventions may contribute \$1 per month to your retirement account for each \$3 per month you and/or your church contributes in excess of \$52.50 per month, not to exceed \$17.50 per month.
- Some state conventions may make a protection benefit contribution for you if you or your church contributes an amount no less than the minimum amount per month to the plan.

Eligible non-ministerial participants — if you and your church meet the eligibility requirements established by your state convention, you may be eligible for matching retirement contributions, and will receive protection benefits. Check with your church or contact a GuideStone Customer Relations Specialist by calling **1-888-98-GUIDE** (1-888-984-8433) for details.

Your contributions

You are allowed to make tax-sheltered contributions, Roth elective deferrals, and/or tax-paid contributions to the plan. Contributions are generally based on a percentage of your compensation.

Tax-sheltered contributions

The advantage of tax-sheltered contributions is that you pay no federal income taxes on the money when it is put into the plan. For ministers, these contributions are not subject to self-employment (SECA) taxes. For non-ministerial participants, the contributions are subject to Social Security (FICA) taxes. Generally, federal income taxes are payable when these amounts are distributed from the plan. Your taxes may be lower at retirement because you may be in a lower tax bracket.

Roth elective deferrals

If you elect to make Roth elective deferrals, you must pay current income tax on the money put into the plan. The contributions and, in most cases, the earnings are not subject to federal income taxes when distributed to you. However, in order for the earnings to be tax free, you must meet certain conditions. Contact GuideStone to find out more about Roth elective deferrals.

Age 50 catch-up contributions

If you are eligible to make tax-sheltered contributions and/or Roth elective deferrals to the plan and have

attained age 50 (or older) before the close of the plan year, you may be eligible to make what are called age 50 catch-up contributions to the plan. Contact GuideStone to find out more about this type of contribution and the requirements that must be met.

Tax-sheltered contributions and/or Roth elective deferrals are made through a written, legally binding salary reduction agreement. This form is available from GuideStone. The agreement states the specific percentage, or dollar amount of compensation you are reducing. After you sign your salary reduction agreement, your church will then reduce your salary by the agreed amount and contribute it to the plan for you.

Tax-paid contributions

You may also choose to make your contributions to the plan on an after-tax basis. When you receive distributions from the plan, no additional taxes are due on your after-tax contributions. However, the earnings on those contributions will be taxed when they are distributed.

Rollover and transfer contributions (inbound)

You may be eligible to make a tax-free rollover to the plan from another eligible retirement plan or an IRA. In addition, you may be eligible to make a transfer from another 403(b) plan. IRS rules on rollovers and transfers are complex. Contact GuideStone for more information about making a rollover or transfer to the plan.

Limitations on contributions

There are limits imposed by the IRS on the amount of contributions that can be made to the plan by or for a participant. GuideStone's Web site offers general information about annual maximum limits. Also, as a free service, we can help you in determining your limits. Please contact us for a calculation of your limits. We suggest that you speak with your tax adviser about how the limits apply to you.

Plan investments

You may place your contributions (including rollovers and transfers), your church's contributions and your state convention contributions in any of the investment choices available under the plan. A description of the plan investments and their performance is available on GuideStone's Web site or in the brochure, *Investment Funds Update*.

You may change the investment of your current account balance and your future contribution allocations in the various plan investments by calling GuideStone's toll free number **1-888-98-GUIDE** (1-888-984-8433) or accessing GuideStone's Web site: www.GuideStone.org.

Vesting

Vesting is the process by which you gain ownership rights to the church's contributions in your account. Under the provisions of the plan, all contributions you and the state convention make to your retirement account and their earnings are 100% vested to you and are non-forfeitable. The church may impose a vesting schedule on contributions made by the church. Please check with your church to learn more about any vesting schedule that may apply.

Distribution of benefits

Contributions to the plan are intended to stay in the plan until death, disability or retirement. The IRS places restrictions and penalties on early distributions. Because IRS regulations and plan restrictions on distributions can be complex, please contact GuideStone for more information about your benefits and distributions.

You, your surviving spouse or your beneficiary should contact GuideStone if you are eligible for benefits due to death, disability or retirement. Benefits do not begin until a completed application is submitted to GuideStone.

Note: If you are a minister, you may be eligible to designate all or a portion of your retirement benefit as a minister's housing allowance.

Distributions while in-service

Distributions of contributions while you are in paid service are available in limited circumstances. You may receive a portion or all of your rollover contribution account and transfer contribution account, as permitted by law. You may also receive a portion or all of your tax-paid contributions and earnings, and your December 31, 1988, employee tax-sheltered contributions account balance with your current church. All employee tax-sheltered contributions and earnings from your former churches may also be withdrawn.

Employee tax-sheltered contributions along with Roth elective deferrals and their earnings made after December 31, 1988, may not be distributed until age 59½, death, disability, are eligible to receive a qualified reservist distribution and termination from service or for financial hardship.

In addition, you are eligible to receive a retirement benefit from the plan without terminating service, if you are 100% vested in your employer contributions account and state convention retirement contributions account and are at least 59½ years old.

Distributions due to a financial hardship

A distribution for financial hardship must meet specific criteria and cannot include earnings. If you receive an in-service distribution due to a financial hardship, you will be unable to make your contributions to any retirement plan of the church for six months following the date of distribution. Please contact GuideStone for more information about hardship withdrawals.

Distributions due to disability

Disability retirement benefits are available to you after meeting the requirements under the plan regarding the determination of disability. If you need more information about receiving a benefit due to disability, contact GuideStone.

Distributions following death

If you die with an account balance in the plan, your total account balance (contributions and earnings) will be payable to your designated beneficiary.

Distributions at termination from service

If you leave paid service with a church, you may leave your vested account balance in your plan with GuideStone until a distribution is required by law, or you may begin receiving a benefit from all or a portion of your vested account balance.

The IRS requires benefits to begin by April 1 following the later of: 1) the year you reach age 70½, or 2) the year you retire.

If you have funds transferred from another Code section 403(b)(9) plan, please contact GuideStone for information about restrictions on these funds.

Rollovers and transfers (outbound)

You may be able to make a tax-free rollover to another eligible retirement plan or to an IRA or a taxable conversion to a Roth IRA. In addition, you may be eligible to make a transfer to another 403(b) plan. IRS rules on rollovers and transfers are complex. Contact GuideStone for additional information about making a rollover or transfer from the plan.

Benefit payment options

Your plan provides you with a variety of benefit payment options. You may choose from a single sum distribution, annuity payment, installment payments or a combination of these payments.

These options offer varying degrees of retirement income security for you and your family, and it is important that you understand them fully before you make your decision. The amount of your benefit is determined primarily by the value of your account at the time you retire. The value of your account will depend on the amount of contributions that have been made and their investment earnings. Contact GuideStone to receive a retirement benefit estimate and brochures that will help you make your decisions.

Miscellaneous

Loans

You may be able to take a loan from the plan. Please contact GuideStone if you have any questions about applying for a loan.

Consent of spouse

If you are married, notarized consent of your spouse is required in order to receive a single sum distribution or installment payments, to make a transfer out of the plan, to receive a loan, or an annuity benefit which does not provide at least a 50% surviving spouse benefit, or to name someone other than your spouse as the primary beneficiary of your account.

Your beneficiary is your surviving spouse unless you choose another beneficiary with the notarized consent of your spouse. Your spouse's consent to name another beneficiary cannot be changed, unless you change your beneficiary designation. Generally, in order for a minor to receive a death benefit, a probate court would have to appoint a guardian to receive and administer the property. You may prefer to provide for a minor by establishing a trust in your will (testamentary trust) and naming the trust as your beneficiary. Certain distribution options may not be available to a beneficiary that is a trust unless the trust meets certain requirements. If you need more information about naming a beneficiary, please contact GuideStone.

Divorce

In the event of a divorce, your former spouse may be awarded a portion of your account through a special court order called a qualified domestic relations order (QDRO). If you begin divorce proceedings, please contact GuideStone immediately so that we can give you and your attorney information about the effect of divorce on GuideStone retirement accounts and fees that may apply.

Reports

A Participant Account Summary is available that describes the value of your retirement income account. You have continuous access to these reports on your *MyGuideStone* page on GuideStone's Web site.

Church Protection Benefit Program

In addition to the 403(b)(9) Retirement Plan for Southern Baptist Churches, the Church Protection Benefit Program provides certain death and disability benefits to eligible persons serving eligible Southern Baptist Churches. If you are a participant in the 403(b)(9) Retirement Plan for Southern Baptist Churches, and if your state convention makes contributions on your behalf, you may have protection benefits in addition to retirement benefits. Contact your state convention for details.

Disability income benefit

If you are eligible for protection benefits, and become totally disabled:

- While you are in active church service; or
- After you have left active church service, but before you have received all of the accumulations in your account or elected an annuity benefit payment option with respect to all of your accumulations;

You may be eligible for disability income benefits under the plan. You may receive up to \$500 a month.*
(See footnote on next page.)

The determination of disability must be approved by GuideStone. The benefit will become effective as of the first day of the fifth month following your disability date. However, the benefit may not be effective more than 90 days prior to the date GuideStone is notified of the disability. The first benefit payment will be made during the seventh month following your disability date. While you are receiving these benefits, up to \$35 will be credited to your account for retirement each month. In addition, the survivor benefit protection will be continued, and the state convention contribution will be made for each month a disability income benefit is paid.

Disability income payments stop when you reach age 65 (or earlier if you are no longer disabled). However, if you are age 60 or older when Disability Income Benefits begin, payments can continue for five years.

Survivor protection benefit

If you are eligible for protection benefits and die:

- While you are in active church service; or
- While you are receiving a Disability Income Benefit; or
- After you have left active church service, but before you have received all of the accumulations in your account or elected an annuity benefit payment option with respect to all of your accumulations;

a benefit may be payable. Your beneficiary may elect to receive a single sum or other form of approved benefit. The following table illustrates these benefits:

Your age at death	Benefit Payable
35 and under	\$100,000
36-45	\$75,000
46-55	\$50,000
56-65	\$25,000
66-70	\$16,000
71 and over	\$10,000

* These benefit amounts are based on contributions by the state convention for each of the 12 months immediately preceding your death or disability. If state convention contributions have not been received for the full 12 months, the benefit will be proportionately less.

Contacting GuideStone

After reviewing this summary, if you have questions about your plan, please contact us:

GuideStone Financial Resources, SBC

2401 Cedar Springs Road

Dallas, Texas 75201-1498

1-888-98-GUIDE (1-888-984-8433)

www.GuideStone.org

This Plan Summary provides a synopsis of your plan. In the event of a conflict or ambiguity, the plan documents will always have precedence and control over the Plan Summary.



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