

Beneficiary Income Application

Baylor University Retirement Income Plan



Complete form in ink, sign and return to: **Plan Administrative Committee, c/o Compensation and Benefits, Baylor University, P.O. Box 97052, Waco, Texas 76798-7052.** If you do not have a valid beneficiary designation on file with GuideStone or wish to update your beneficiary designation, visit www.MyGuideStone.org/Beneficiary or call **1-888-98-GUIDE** (1-888-984-8433) for assistance.

You may refer to the *Beneficiary Payment Options* booklet and your *Beneficiary Income Estimate* to help you choose the option — or combination of options — that's right for you. If you do not have either of these resources or would like personal assistance, call GuideStone at **1-888-98-GUIDE** (1-888-984-8433) between 7 a.m. and 6 p.m. CST, Monday through Friday.

PARTICIPANT INFORMATION

Deceased participant name: _____

Social Security number (last four digits): _____ Date of death: ____/____/____

Surviving applicant name or trustee of a trust: _____

Social Security number or Federal Tax Identification Number: _____

Relationship to the deceased: _____ If spouse, date of marriage: ____/____/____

Home telephone: (____) _____ Birth date: ____/____/____

Home address: _____

City: _____ State: _____ ZIP Code: _____

INCOME TYPE AND OPTIONS

A. Life Income Annuity (Monthly income for your life. This is an irrevocable option. **Once this decision is made, it cannot be changed by you.**) Please note that it is important for you to review the "Information About Annuities" disclosures on the back page of this form before selecting an annuity form of income.

1. Amount or percent of account balance to allocate to this annuity: \$ _____ OR _____%
2. Effective date (Must be the 1st of the month. Payment is made at the end of the month. Can be retroactive up to 90 days before GuideStone receives the completed application.): ____/1/____
3. Determine if payment(s) should be made in the event you die before a certain period of time. This option may allow your beneficiary(ies) to receive any amounts remaining to be paid.
Choose one or none:
 Specified period of (select one): 10 years 20 years Other: ____ years
 Cash refund (This would pay the original principal, less payments already received.)
4. **(Optional)** Would you like your payments to increase each year? If so, check the annual increase percentage below. (This will lower the monthly payment amount initially.)
 1% 2% 3%

B. Systematic Withdrawal Plan (Flexible income that you can change at any time. You retain responsibility for investing your account balance. To mitigate the risk of outliving your money, financial planners generally recommend that you withdraw no more than 4% of your account on an annual basis.)

1. Effective date (Must be the 1st of the month. Payment is made at the end of the month.): ____/1/____
2. Choose income type:
 \$ _____ per month (while funds remain)
 ____% of total remaining account balance (Monthly payments will vary according to the account balance.)
 Total amount allocated over _____ months (Monthly payments will vary according to the account balance.)



INCOME TYPE AND OPTIONS (CONTINUED)

C. Fixed Period Income Annuity (Income that pays a regular amount over a set period of time. Must be at least 36 months.)

1. Effective date (Must be the 1st of the month. Payment is made at the end of the month.): ____/1/____

2. Choose income type:

\$_____ per month for _____ months

\$_____ OR _____ % of my total vested account paid out over _____ months

\$_____ OR _____ % of my total vested account to pay \$_____ per month

D. Single Sum Withdrawal (One-time payment to you with an immediate effective date unless indicated differently below.

This option can create adverse tax consequences and may be subject to a mandatory 20% federal income tax withholding. If you would like to roll this directly to another institution, please call GuideStone to determine if this is eligible to be rolled over and to request the appropriate rollover form.)

1. \$_____ OR _____ % of my total vested account payable to me

2. Effective date: ____/____/____

E. Defer Distribution

I elect to defer receipt of distribution in accordance with Required Minimum Distribution rules in Section 401(a)(9) of the *Internal Revenue Code*.

FEDERAL INCOMETAX WITHHOLDING

A. If you chose a Life Income Annuity, Systematic Withdrawal or Fixed Period Income Annuity that is payable for 10 years or more, your distribution is subject to voluntary withholding rules. Choose one:

No, do not withhold federal income tax from the taxable portion of the distribution. (This may cause a significant tax liability each year.)

Yes, withhold federal income tax from the taxable portion of my distribution. I also will complete the enclosed IRS *Form W-4P* and return it to GuideStone. (If your *Form W-4P* is not received, your withholding election will default to married with three exemptions.)

B. If you chose a Single Sum, Systematic Withdrawal or Fixed Period Income Annuity that is payable for less than 10 years, your distribution may be eligible to be rolled over. You are electing to have the check payable to you (rather than in a direct rollover), which may be subject to the mandatory 20% federal income tax withholding. Choose one:

Mandatory 20% only

Mandatory 20% plus an additional \$_____ OR _____%

C. If you chose a Single Sum or other payment option payable for less than 10 years and the payment is not eligible to be rolled over, choose one:

No, do not withhold federal income tax from the taxable portion of the distribution. (This may cause a significant tax liability each year.)

Yes, please withhold _____%.

STATE INCOMETAX WITHHOLDING

If any part of your payment is exempt from state income tax withholding or your state does not require withholding, we will not withhold tax. If you wish to designate a state as your state of residence for tax purposes, other than your address on record at GuideStone, please designate the state. Additional information can be obtained by contacting your state's revenue department.

State of residence for tax purposes: _____

Choose one:

My state does not have income tax.

No, do not withhold state income tax from the taxable portion of my payment(s) unless required by state income tax laws.

Withhold state income tax according to the following election:

Single

Married

Married, but withhold at the higher single rate

Enter number of allowances: _____

Optional: Withhold an additional \$_____ from my payment(s) for state income tax withholding.

DIRECT DEPOSIT

Complete this section to have your check electronically deposited. Include a voided check or deposit slip, as applicable. If you do not complete this section, a check will be mailed to you.

Bank name: _____ Bank telephone: (_____) _____

Type of account (check one): Checking (voided check only) Savings (voided deposit slip)

Routing number: _____ Account number: _____

LOAN PAYOFF (OPTIONAL)

I authorize GuideStone to pay off my outstanding loan balance by reducing my account balance by my loan payoff amount plus 20% for federal income tax withholding. I realize that this total will be taxable to me.


MISSION:DIGNITY® (OPTIONAL)

Mission:Dignity serves retired ministers and their spouses who need extra help in their later years. Mission:Dignity currently helps more than 2,000 people by providing extra money needed for housing, food and vital medications.


Please deduct \$ _____ from my monthly payments and pay to Mission:Dignity to be used as a donation to the ministry. I reserve the right to cancel this authorization at any time, upon 30 days written notice to GuideStone.

APPLICANT SIGNATURE

By signing below, I certify that I have received and carefully read the enclosed *Special Tax Notice* regarding plan payments and the "Information About Annuities" disclosures on the back page of this form. I authorize payment in the manner indicated on this form. I understand that a Life Income Annuity or Fixed Period Income Annuity, once elected, cannot be changed by me. However, GuideStone reserves the right to correct any errors associated with my annuity retirement income calculation to ensure that the amount of income payable to me is consistent with the terms of my retirement plan. I also understand that a Life Income Annuity provides a regular monthly payment and does not increase over time unless I have elected an annual increase.

 **Applicant signature:** _____ **Date:** ____ / ____ / ____
(The application cannot be signed more than 180 days prior to the date the payments begin.)

ADMINISTRATIVE COMMITTEE APPROVAL

 Signature of authorized officer: _____ Date: ____ / ____ / ____
Printed name and title of authorized officer: _____

INFORMATION ABOUT ANNUITIES

The following information is being provided to you in connection with your election to receive your retirement plan income payments in the form of monthly lifetime income payments. Please read it carefully.

- 1.** The retirement plan in which you participate or have in the past participated permits you to elect to receive all or a portion of your plan account balance in one of several forms of lifetime income payments. The forms of lifetime income payments available under your plan are supported by an annuity reserve fund (the "Fund"). Throughout the decades that the Fund has been in existence, it has been managed by professional outside investment managers hired by GuideStone or by a GuideStone affiliate. The Fund has been and continues to be managed by these outside professional managers in a way that is consistent with providing monthly lifetime income payments to you in a prudent and diversified manner.
- 2.** The Fund will fluctuate in value over time. Because of this fluctuation in value, at any point in time the assets of the Fund may be overfunded (that is, the value of the assets of the Fund is **greater** than the present value of lifetime income payments payable to all participants receiving such payments) or underfunded (that is, the value of the assets of the Fund is **less** than the present value of lifetime income payments payable to such participants). This is, of course, not unusual in plans of this type, but it is important that you understand that the funded status of the Fund will vary over time. If you would like additional information on the funded status of the Fund, you should review GuideStone's most recent audited financial statements. Those statements can be accessed at www.sbcnet.org by searching key words "SBC Annuals."
- 3.** Your monthly lifetime income payments will be made solely from the assets held in the Fund and not from GuideStone's corporate assets. In addition, you should note that, if an event occurs that causes a significant reduction in the value of the Fund, there is a possibility that your monthly lifetime income payments could be reduced — as could be the case with any annuity program faced with such a situation. No such reduction has ever been made throughout the Fund's existence — however, the possibility of such a reduction does exist in the long term.
- 4.** Your monthly lifetime income payments are not guaranteed by third parties, including a federal agency known as the Pension Benefit Guaranty Corporation or the PBGC. The PBGC does guarantee the payment of a certain amount of retirement pensions paid to eligible participants, but because your retirement plan is a church plan, monthly lifetime income payments made under it are not subject to PBGC protection. In addition, because monthly lifetime income payments you may elect to receive are not paid by a commercial insurance company, such payments are also not protected by so-called state insurance "guaranty" funds. However, it is also important for you to note that lifetime income payments from the Fund are therefore not subject to costs associated with PBGC protection or the various fees and other costs (such as loads, commissions and surrender fees) associated with commercial annuity products, which can be significant.
- 5.** If you are an ordained, licensed or commissioned minister and if the amounts accumulated in your retirement plan account are all attributable to services performed in the exercise of your ministry, monthly lifetime income payments elected by you provide you with the opportunity to exclude all or a portion of such payments from federal income taxes by claiming minister's housing allowance with respect to such payments under current IRS rules. Most states provide a corresponding exclusion for state income tax purposes. These tax exclusions may enable you to retain a greater portion of your monthly lifetime income payments than payments made to you under a commercial annuity contract, and GuideStone will report such payments in a manner that supports your right to such exclusions.
- 6.** Please consult your own tax, legal, financial or other advisor if you have questions regarding monthly lifetime income payments available to you under your retirement plan. Although GuideStone does not provide tax or other legal advice, GuideStone will be glad to provide you with general information to assist you in helping you decide if you would like to receive such payments.
- 7.** Again, the Fund has never defaulted on making or had to reduce annuity payments, but it is our fiduciary duty to alert you that this possibility exists.