

GuideStone® RETIREMENT INCOME SOLUTIONS



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of this helpful resource.



GuideStone®

Congratulations on taking control of your future.

Choosing your retirement strategy is a crucial element in developing a plan for a secure retirement. This is an important milestone, and we congratulate you for taking a proactive approach toward your future. We're confident this workbook will reward your effort by helping you to finish well on the path to your goals.

Why You Need a Good Retirement Strategy

Without a strategy, you could end up making plans that aren't realistic or, worse, cause you to outlive your retirement income. You don't want that to happen, and neither do we. That's why we want to help you develop a solid strategy to give you financial confidence as you retire.

But what does a good strategy look like? Generally, it's built on a three-part foundation:

1. **Considers longevity:** Outliving retirement income is one of the biggest concerns for most retirees. So, having a strategy that provides a dependable income stream for the remainder of your life (and your spouse's life) is crucial.
2. **Adjusts for inflation:** Historically, inflation has risen by about 3.8% yearly¹. Since the average person can spend 20–30 years in retirement, this is a factor you should consider in your strategy.
3. **Includes loved ones:** There are many people to think about when planning for your retirement income: your spouse, your children and your grandchildren. Consider this: If you precede your spouse in death, what retirement income will he or she have to depend upon?

How GuideStone Will Help

GuideStone® will be here for you every step of the way. Enhancing our members' financial security has been part of our core mission for over 100 years. If you have questions or need additional assistance, contact a customer solutions specialist at Info@GuideStone.org or **1-888-98-GUIDE** (1-888-984-8433), Monday through Friday, from 7 a.m. to 6 p.m. CT.

One final note we'd like you to remember: The core focus of this workbook is **you**. We want to provide the right options for your situation and help you be confident about your choices. There is no pressure to make hurried decisions. Simply weigh your options carefully, call us with any questions and make the choices that fit your goals.

¹ <https://www.WorldData.info/america/usa/inflation-rates.php>



Section 1: CALCULATING YOUR INCOME AND EXPENSES

The first step to developing a successful retirement income strategy is to **estimate your income needs and expenses** before and during retirement. Use the chart below to calculate your estimates and determine if you're on track for an income surplus or shortfall during retirement.

Rule of Thumb:

Financial planners suggest replacing 80% of your final working year's income for a quick estimate, but knowing your actual expenses is preferable.²

Can I roll over other investments into my GuideStone account?

Yes. Contact a rollover specialist at **1-888-98-GUIDE** (1-888-984-8433) to get started today.



Minister's Housing Allowance

If you are a Minister for Tax Purposes, you can request to designate all or part of your retirement income distribution from GuideStone as a minister's housing allowance.

Simply note the request in the designated section of your Retirement Income Application. If you need help determining your eligibility for the minister's housing allowance, visit [GuideStone.org/HousingAllowance](https://www.guidestone.org/HousingAllowance) for more information.

² John Waggoner, *How Much Money Do You Need to Retire?*, AARP, (2021), aarp.org/retirement/planning-for-retirement/info-2020/how-much-money-do-you-need-to-retire.html.

Retirement Budget Worksheet



Enter your monthly expenses and projected retirement income.

EXPENSES (MONTHLY)	DURING RETIREMENT
ESSENTIAL EXPENSES	
Housing	
Utilities	
Food	
Health Care	
Family Care	
Transportation	
Personal	
Tithe/Charitable	
Savings	
Taxes	
Other Essential Expenses	
TOTAL ESSENTIAL EXPENSES	
NONESSENTIAL EXPENSES	
Recreational and Entertainment	
Eating Out	
Travel and Vacation	
Other Nonessential Expenses	
TOTAL NONESSENTIAL EXPENSES	
TOTAL MONTHLY EXPENSES	

INCOME (MONTHLY) Total Lifetime Income (Excludes Withdrawals from Retirement Savings Accounts)	
Your Social Security	
Your Spouse's Social Security	
Household Annuity Income	
Household Pension Income	
TOTAL LIFETIME INCOME (add above fields)	
OTHER INCOME (PART-TIME WORK, RENTAL PROPERTY, ETC.)	
TOTAL MONTHLY INCOME (before taxes) (Total Lifetime Income + Other Income)	
TOTAL MONTHLY RETIREMENT INCOME NEED (Total Monthly Income - Total Monthly Expenses)	

If the expenses are more than your lifetime income and other income, that amount is your **retirement income need**. This is the **amount of money that you will need to withdraw from your retirement savings** (i.e., employer-sponsored 403(b) and 401(k) plans, IRAs and personal savings) to maintain your current standard of living.

Section 2: DETERMINING YOUR MONTHLY SUSTAINABLE WITHDRAWAL AMOUNT



Your **monthly sustainable withdrawal amount*** is the amount you can withdraw from your retirement savings each month designed such that your money lasts throughout retirement.

The withdrawal rates shown below are based on your age at retirement and show the maximum amount that should be considered for withdrawal per year. If you are married, the youngest spouse's age should be referenced.

Based on the appropriate rate listed below, calculate a sustainable withdrawal amount from your retirement savings (i.e., employer-sponsored 403(b) and 401(k) plans, IRAs and personal savings, such as investment accounts, savings accounts and CDs).

Retirement Age	Sustainable Withdrawal Rate*
59 or less	3.5%
60-65	4.0%
66-69	4.5%
70 and over	Greater of 5% or Required Minimum Distribution (RMD)

***NOTE:** Asset sustainability using these rates is not guaranteed. Proper asset allocation also plays a critical role.



$$\frac{(\text{Retirement Savings Balances} \times \text{Applicable Sustainable Withdrawal Rate})}{12} = \text{Sustainable Monthly Withdrawal Amount}$$

Example: Mark retires at 67. He has a total of \$250,000 in his retirement savings. With a sustainable withdrawal rate of 4.5%, his sustainable monthly withdrawal amount is \$938.

$$\$250,000 \times .045 = \$11,250 \text{ (Sustainable Annual Withdrawal Amount)}$$

$$\$11,250 / 12 = \$938 \text{ (Sustainable Monthly Withdrawal Amount)}$$

Use the chart below to calculate your Monthly Withdrawal Amount

Retirement Savings Balance	Multiplied by the Applicable Sustainable Withdrawal Rate	Then Divided by 12 Months	Equals the Sustainable Monthly Withdrawal Amount
	X	÷ 12	=

Looking at your above calculations, if your sustainable monthly withdrawal amount is **SHORT** of your monthly income **NEEDS** determined in Section 1, you'll need to carefully consider some alternatives. See Section 4 for some helpful suggestions.

How long will my retirement income have to last?

Many retirees underestimate the amount of time they will spend in retirement. If you withdraw too much during retirement, you could run the risk of depleting your assets before the end of your life (longevity risk).

Studies show that, on average, for those reaching age 65 today:



A man can expect to live,
on average, until age

84.3



A woman can expect to live,
on average, until age

86.9³



Section 3: UNDERSTANDING AND CHOOSING YOUR RETIREMENT INCOME OPTION

This section details retirement income options you may need to know before completing your *Retirement Income Application*. Please remember that your income is subject to voluntary withholding rules if you choose a Life Annuity Benefit, Systematic Withdrawal or Fixed Period Annuity Benefit that is payable **for 10 years or more**. Should you choose a Single Sum Payment, Systematic Withdrawal, or Fixed Period Annuity Benefit that is payable for less than 10 years, your income will be subject to the mandatory 20% withholding rules.⁴

How does a GuideStone Life Annuity Benefit work?

Life Annuity Benefits are payable for either one life (Single Life) or two lives (Joint Life). This means that you will receive payments **for the rest of your life (for a Single Life Annuity Benefit) or the lives of both you and your Joint Life Applicant (for a Joint Life Annuity Benefit)**.

There are several options you can use to customize either a **Single Life⁵** or **Joint Life Annuity Benefit**.

1. **The Cash Refund option** can facilitate your beneficiaries' receipt of proceeds if you (and your spouse if you have a Joint Life Annuity Benefit) pass away before the annuity benefit's original purchase price is paid out.

Example: Beverly retires at age 65 and sets up a Joint Life Annuity Benefit with a Cash Refund option. She names her daughter as the sole beneficiary. If Beverly and her Joint Life Applicant both pass away before the original purchase amount of the annuity benefit is paid out, then the remainder will be paid to her daughter in a lump-sum payment.

2. **The Specified Period option** can facilitate your beneficiaries' receipt of proceeds in the event you (and your spouse if a Joint Life Annuity Benefit) pass away before a specified period is over.

Example: Bill retires at age 65 and chooses to set up a Joint Life Annuity Benefit with a 10-year Specified Period option. He names his three children as beneficiaries. The annuity will provide income over the entire lifetimes of Bill and his Joint Life Applicant, but should both pass away after six years, then the beneficiaries will continue to receive payments for the remaining four years.

3. **The Annual Increase option** allows you to receive annual increases in payments of 1%, 2% or 3% (in return for smaller initial payments) to help offset inflation's impact on your retirement income. Unless you choose this option, the payment you receive will not adjust to help offset the effects of inflation during your retirement. (If you are considering this option, be sure to compare the difference in payments between this option and other options to determine if it's the best fit for you.)

Example: John retires at age 65 and chooses to set up a Joint Life Annuity Benefit with a 2% annual increase option. He and his wife (the Joint Life Applicant) will initially receive lower monthly income payments, but the payments will increase by 2% each year, helping their retirement income keep pace with inflation.

Please note that all annuity benefits are irrevocable once they are established.

How does a GuideStone Systematic Withdrawal Plan work?

The Systematic Withdrawal Plan provides income for a specified period of time (until the funds are exhausted or until written notification to cancel the plan is received). The monthly distribution is determined by the amount, percentage or period designated on the *Retirement Income Application*. This distribution may be changed or discontinued by completing a *Systematic Withdrawal Plan Change Form*, which you can request by calling GuideStone.

There are three basic ways to receive your systematic withdrawals:

1. **Equal distributions of a specified amount:** A minimum of \$50 is required, but you choose the amount you want deducted from your balance each month.
2. **Percentage of total vested contribution amounts:** This option will provide income that varies monthly (due to market fluctuations). The monthly distribution amount is calculated by multiplying your total account balance by the annual withdrawal percentage, then dividing by 12.
3. **Paid out over a specified period:** Your distribution amount will vary monthly (due to market fluctuations) and is calculated by dividing the total account value by the remaining number of distributions.

Example: Tom is single, age 65 and retiring. He does not want to set up an annuity benefit, so he decides to set up a Systematic Withdrawal Plan for \$100,000 of his account value. The chart below shows his monthly distributions for the three options described above.

³ Social Security Administration: Retirement & Survivors Benefits: Life Expectancy Calculator, accessed February 19, 2025, [SSA.gov/OACT/population/longevity.html](https://ssa.gov/OACT/population/longevity.html).

⁴ Qualified distributions from a Roth IRA or the amount designated as a minister's housing allowance are not subject to this mandatory withholding

⁵ Single Life option ends upon the annuitant's death.

Systematic Payout Option	Calculation Method	Monthly Income
Equal monthly distributions (Tom wants \$500/month)	Equal distributions	\$500 until the funds are exhausted
Percentage of vested contribution amounts (Tom selects 4%)	$(\$100,000 \times 4\%) / 12$	\$333 (will vary each month)
Paid out over a specified time (Tom selects 15 years)	$\$100,000 / 180 \text{ months}$	\$555 (will vary each month)

Note: With these options, your account will stay invested while you take withdrawals, so you must be comfortable with the risk level and allocation of your investments. You will be responsible for all investment decisions. An appropriately allocated portfolio is essential in helping you reach your retirement goals. To see if you need to make changes to become appropriately allocated, contact our Customer Solutions team to learn more about investment income options.

Combining Income Solutions

Choosing a Life Annuity Benefit in combination with a Systematic Withdrawal can help meet different expenses over time. A Life Annuity Benefit helps pay essential expenses, whereas a Systematic Withdrawal is best for nonessential expenses.

Example: Beverly, age 65, is single and retiring. She has \$100,000 in her retirement account. She wants to receive a steady monthly income for life but knows that she will need additional income to cover temporary expenses in her early retirement years. Beverly establishes a Single Life Annuity Benefit with a portion of her retirement account, which will pay her \$370 a month for the rest of her life. To cover the temporary expenses, she also sets up a Systematic Withdrawal from the remainder of her account that will pay her equal distributions of \$50 each month. Beverly can cancel the Systematic Withdrawal once she's settled into retirement and no longer needs the supplemental income. In the event of her death, the annuity payments will cease, and the remaining account balance will be paid to her beneficiary.

If you choose multiple retirement income options, the annuity benefit or single-sum option will be set up first. Then, the remainder of your retirement funds will stay invested and be available for a Systematic Withdrawal Plan.

Other Options

1. GuideStone Fixed Period Annuity Benefit

The Fixed Period Annuity Benefit is payable as a fixed monthly amount for a specified period. You decide the amount and/or payment period, and no other income will be paid at the end of the fixed period. The annuity benefit is affected by several variables:

- The amount of the account balance used to establish distributions
- The length of distributions
- The frequency of distributions
- The funding rate at the time the distribution is established

If you die before the fixed period ends, your beneficiary can continue receiving distributions in the same amount for the remainder of the payment period or as a Single Sum Payment. **Your employer's plan may limit a Fixed Period Annuity Benefit to only a portion of your vested Employer Contributions Account.**

Example: Jane, age 65, is single and retiring. She decides to use a portion of her retirement account to establish a Fixed Period Annuity Benefit that will distribute \$1,000 a month for 60 months. The money remaining in her retirement account will continue to be invested in the funds she previously selected. At the end of the 60-month period, Jane must complete new forms to receive any additional retirement income distributions from the unused portion of her account.

If Jane dies after receiving only five months of distributions, her daughter will receive \$1,000 monthly for the remaining 55 months or the equivalent of the remaining distributions in a lump sum.

2. Single Sum Payment

A Single Sum Payment provides all or part of your retirement account balance to you in one distribution. Your employer's plan may limit a Single Sum Payment to only a portion of your vested Employer Contributions Account. Many participants use this option to cover emergencies, such as major repairs or medical expenses. Single Sum withdrawals can create adverse tax consequences (talk to your tax advisor for more details). Also, the distributions can only be withdrawn from the accumulations in your retirement account, not an established annuity benefit.

Your decisions now have significant implications for you and your family. We don't want you to rush into any decision, so we stand ready to help you fully understand your options.

Section 4: COMMON QUESTIONS



1. What if my expenses exceed my retirement income?

Do you find that you don't have enough money to cover all your expenses with your retirement income? First, don't despair. This is a common problem for many Americans, so you are hardly alone. There are several things to look at first:

Have you considered all sources of income?

- Social Security (including spouse's Social Security)
- Any pension plans for which you or your spouse may qualify
- Personal savings
- Other retirement accounts (IRAs, 401(k) plans, etc.)

Have you considered other ways to generate income during retirement?

- Turning a hobby into a money-making opportunity
- Continuing to work on a full- or part-time basis or serve as a consultant
- Retiring to an area with a lower cost of living
- Reducing expenses by moving to a less expensive home
- Disposing of unused assets

You could also consider delaying vocational retirement. **There may be several benefits to continuing your career:**

- **Social Security:** Delaying Social Security until age 70 may be appropriate and could provide you with a higher starting benefit and a higher annual increase. It is also important to consider that while some Social Security benefits can begin as early as age 62, the full retirement age for the oldest baby boomers is age 66. For younger baby boomers (and anyone born in or after 1960), the full retirement age is 67.
- **Savings:** Continued employment allows you more time to contribute to your retirement plan and for your investments to potentially grow. It may also reduce the years you need to stretch your retirement investments.
- **Health Care Coverage:** Many employers may continue providing health care benefits to you as you work. This can be especially important if you are retiring before becoming Medicare-eligible.

Retirement can still be a part of your plans, but it may require fine-tuning your goals to make it a comfortable reality.

2. What about my loved ones?

It's wise to make sure your spouse, as well as other loved ones, will be financially provided for after your death. You can set up a Joint Life Annuity Benefit and name your spouse as a Joint Life Applicant, which allows him or her to receive income (option of 50%-100%) after your death. By setting up a Specified Period option, you can facilitate your other loved ones' receipt of proceeds should you and your spouse (if a Joint Life Applicant) die before a specified period. You can also name children, grandchildren or other relatives as beneficiaries under certain plans. You can also request a Cash Refund option on your annuity, so your beneficiaries may receive any principal not paid out during your lifetime and/or Joint Life Applicant's lifetime. There are more options than you may realize, so please call us with any additional questions.

3. How early can I begin receiving my retirement income?

Usually, you may begin receiving your income upon termination of service. However, some employers may provide other early retirement dates. The IRS may impose penalties on distributions before certain ages, so please check with a trusted tax advisor for more information.

4. When should I complete my application for a retirement income option?

You should return your completed application to GuideStone before the beginning of the month in which you plan to receive your first retirement income distribution (e.g., June for income beginning in July).

5. When can I expect to get my first retirement income check?

If your retirement income option's effective date is June 1, you can expect to receive your first distribution at the end of June, provided your completed application is received at GuideStone in a timely manner and in good order.

6. Is my retirement income taxable?

Generally, benefits the employer provides, earnings on tax-paid contributions, and tax-sheltered contributions made through a Retirement Contribution Agreement (RCA), plus all earnings, are taxable. Retirement income provided by tax-paid contributions, Roth contributions and Roth earnings (if a qualified distribution) is not taxable.

Ministers for Tax Purposes may have additional tax savings by claiming all or part of their retirement income as a minister's housing allowance. **This option may not be available from other retirement plan providers since they are not a denominational pension board like GuideStone.**

7. Can I designate my retirement income as a housing allowance?

If you are an eligible retired minister, you may request to designate all or a portion of your retirement income as a minister's housing allowance. A minister's housing allowance can be used for a retirement distribution only when that distribution relates to contributions made as a result of earnings from service as a minister. Ministers who receive retirement income distributions but continue their service in the ministry may have to pay SECA taxes on the part of their retirement income that is designated as housing. Ministers must comply with other IRS rules regarding housing allowance. If you have any questions about these rules, please consult a tax advisor.

You can make or change a minister's housing allowance designation anytime by contacting GuideStone. For more information about who qualifies as a Minister for Tax Purposes, GuideStone members can access our annual Ministers' Tax Guide available at [GuideStone.org/TaxGuide](https://www.guidestone.org/TaxGuide) or call **1-888-98-GUIDE** (1-888-984-8433) to request a free copy. For additional information on unique tax issues for ministers, request a copy of *Ministerial Tax Issues*.

8. I do not plan to retire at age 65. Must I begin receiving my retirement income then?

No. The law generally requires you to start taking distributions from your 403(b) or 401(k) plan at the later of either the year you turn 73 or retire (no longer working for the employer sponsoring your retirement plan). Additionally, you can delay receiving retirement income distributions if you are still working.

9. What happens to the money in my contributions accounts if I die before I retire?

The accumulated balance (all contributions and earnings) is payable to your designated beneficiary.

10. What happens to my retirement income distributions if I return to work?

Your income will continue to be paid to you. Re-employment does not cause retirement income distributions to stop.

11. What happens to the money in my retirement accounts if both my designated beneficiary and I die before I retire?

If none of the beneficiaries (primary or secondary) you have named are living, the balance in your account is paid to the beneficiaries designated under the plan. For most plans, if no beneficiary is designated, the spouse is the primary beneficiary, and the estate is the secondary beneficiary.

12. Can I change the Joint Life Applicant (such as a spouse) of my Joint Life Annuity Benefit once I begin receiving distributions?

No. All annuity benefits are irrevocable once they are established.

13. Can I change the beneficiary of my Fixed Period Annuity Benefit or my Joint Life or Single Life Annuity Benefit with a Specified Period option?

Yes. However, if you are married, your spouse's notarized consent may be required.

14. What other rules apply to a beneficiary designation?

When you die, if you have not designated a beneficiary or if no named beneficiary survives you, the plan(s) provide who your beneficiary will be.

- **Divorce:** If you name your spouse as beneficiary and subsequently divorce, your retirement plan may nullify this designation. In some instances, the divorce decree will specify that you must maintain your former spouse as a beneficiary, so you would need to rename your former spouse as beneficiary. Regardless, we strongly encourage you to understand the rules applicable to your retirement plan and to file a new beneficiary designation immediately following a divorce settlement.

- **Minors:** GuideStone cannot make distributions directly to a minor. Generally, a probate court would have to appoint a guardian to receive and administer the distributions for the minor.
- **Trusts:** Using a trust as a beneficiary may have unexpected consequences upon your death. Unless your trust meets specific qualifications, your trust will not be considered a designated beneficiary for required minimum distributions (RMDs). This means that distribution options available to your trust may be limited. The person creating your trust should be able to provide you with information concerning whether your trust meets the qualifications to be considered a designated beneficiary for RMDs. You must provide the full legal name of the trust.
- **Organizations:** If you designate your employer as beneficiary, you must designate a specific fund of the employer, such as a building fund. If you designate a nonprofit organization as beneficiary, you must provide the full legal name and address of the nonprofit organization. Designation of an organization as beneficiary may limit your distribution options.
- **Estate:** The wording to designate your estate as beneficiary is “my estate” or “the estate of (your name).” Designation of your estate as beneficiary may limit your distribution options.

15. Can someone other than my spouse be named a Joint Life Applicant?

Yes, your Joint Life Applicant may be someone other than your spouse. Please contact GuideStone for specific details.

GuideStone is here to help you with your retirement planning needs. Understanding your retirement income needs and the available withdrawal solutions can help you develop an appropriate withdrawal strategy and minimize the risk of outliving your assets. Plan and protect your financial future by making informed withdrawal decisions.

Next Steps: Book a financial consultation through [MyGuideStone®](#). Our team is available to walk you through your *Retirement Income Application* and help you make the best choice.

Contact us at Info@GuideStone.org or **1-888-98-GUIDE** (1-888-984-8433),
Monday through Friday, from 7 a.m. to 6 p.m. CT.

This information is provided for educational purposes only and should not be construed as financial, tax, or legal advice. We encourage you to consult your financial, tax, and legal advisors regarding your unique needs and goals.

Checklist

- ☐ Read through *Retirement Income Solutions Workbook*.
- ☐ Complete a *Retirement Income Estimate* in MyGuideStone®.
- ☐ Complete and sign your *Retirement Income Application*.
- ☐ Complete your *Beneficiary Designation Form* online.
- ☐ Complete your *Rollover Application* to consolidate other retirement accounts with GuideStone (if needed).

