

# 4 STEP 4: PROVIDE EMPLOYEE BENEFITS

A strong employee benefit plan includes retirement contributions along with medical, life and disability coverage for ministers and other employees. Making these benefits available is a tangible way to show your church staff you care — which can help attract quality, new employees and reduce turnover. A well-rounded employee benefit plan also provides the following advantages:

## INSURANCE PLANS

### Protect Your Employees and Your Church

Churches who provide ministers, employees and their families with medical coverage, term life insurance, disability and accident coverage are providing protection and peace of mind. In return, employees do not have to spend time purchasing and managing their own benefits and are free to focus on helping your church reach its ministry goals. Neglecting to provide insurance benefits can place an unnecessary burden on your employees' families should an unfortunate event occur.

### Provide Employees with Appropriate Coverage

GuideStone® can help churches and other ministry organizations provide employee benefits for employees and their families with a variety of medical plans — as well as term life, accident, dental and disability plan options. With GuideStone, churches can consolidate their entire employee benefits package under one roof, with one reliable source for customer service.

This coverage offers protection and portability for ministers and other employees, potentially allowing them to take their insurance coverage with them as they are called from one place of ministry to another.

You may also be able to lower the income taxes paid by your ministers and other staff by establishing a Flexible Spending Account or Health Savings Account in coordination with your medical plan. For more information about these options, please visit [GuideStoneInsurance.org/HSAorHRA](https://www.GuideStoneInsurance.org/HSAorHRA).

To learn more about the life and health coverage options available with GuideStone, email [Insurance@GuideStone.org](mailto:Insurance@GuideStone.org) or call **1-844-INS-GUIDE** (1-844-467-4843) between 7 a.m. and 6 p.m. CST, Monday through Friday. You can also find information online at [GuideStoneInsurance.org](https://www.GuideStoneInsurance.org).

### Create Potential Tax Advantages

Money that your church spends on certain employee benefits, such as accident and health coverage, is not counted as taxable income for the employee. In addition, churches may pay for employee group term life insurance up to \$50,000 on a tax-free basis.

In the past, churches would often ask employees to obtain their own health benefits and then reimburse the employee for the cost of those benefits. However, because of changes in the law, this is no longer an option.

Because GuideStone is classified as a church benefits board, all of our medical plans — even Personal Plans sold to individuals — are classified as “group health plans” by the ACA and the IRS.

These tax-saving ideas should not be viewed as loopholes. Rather, they represent a wise use of tax laws to help your ministers and staff pay the least amount of taxes they legally owe.



### STAY INFORMED ON HEALTH CARE REFORM

### GUIDESTONE IS YOUR HEALTH CARE REFORM ADVOCATE.

Visit [GuideStone.org/HealthReform](https://www.guidestone.org/HealthReform) to learn about provisions that may impact your ministry or employees. You can also register for email alerts that will keep you up-to-date on the latest ACA news.

## RETIREMENT PLANS

### Prepare Employees for the Future

While they never see themselves retiring from their calling to ministry, ministers and employees do need income to live on once they leave paid ministerial service to provide for families, missions, church planting or other ministry endeavors.

Historically, one of the best ways to build this income is through a retirement plan, like the 403(b)(9) Retirement Plan offered by GuideStone. Churches should consider offering such a plan that includes an employer-provided contribution paid by the church. **GuideStone recommends the employer contribute an amount equal to 10% of the employee’s salary.** Employees should then also be encouraged to make additional contributions from their own salary.

### Offer a Plan Exclusively Designed for Ministries

The 403(b)(9) Retirement Plan from GuideStone is designed exclusively for churches and ministry organizations. All ministerial and non-ministerial employees receiving W-2 income from the church (including administrative assistants, custodians and church-school workers) can participate. Some of the features of the plan include:

- Employees' tax-sheltered contributions provide savings now by immediately lowering the taxable portion of their salary. Further, both contributions and earnings grow tax-deferred until they are withdrawn.
- Employees' Roth contributions provide savings later by including contributions within the taxable portion of their salary now as opposed to retirement. Plus, earnings on the Roth contributions will be completely tax-free upon distribution if:
  - The participant is age 59 ½ or older and
  - Five years have passed from the date of the first contribution to the account.
- Eligible ministers don't pay SECA taxes on their tax-sheltered contributions.
- An eligible minister can designate up to 100% of his benefit as a housing allowance at retirement.
- Participants benefit from a multi-manager investment approach that provides access to a well-diversified, structured portfolio of mutual funds.
- All Funds are Christian-screened and adhere to moral and ethical investment guidelines approved by GuideStone.

For information about our retirement plans, call **1-888-98-GUIDE** (1-888-984-8433) between 7 a.m. and 6 p.m. CST, Monday through Friday. You can also find information online at [GuideStoneRetirement.org](http://GuideStoneRetirement.org).



## THE CHURCH RETIREMENT PLAN FOR SOUTHERN BAPTIST CHURCHES

GuideStone offers the Church Retirement Plan, which may provide matching and protection benefits\* for Southern Baptist church employees. Additional benefits are available for pastors of eligible SBC churches with annual budgets of less than \$75,000. If you are an SBC church, please contact GuideStone to learn more about this plan.

\*Benefits are provided by GuideStone and the Baptist state conventions. Eligibility for and type of benefits offered vary by convention. Visit [GuideStone.org/SBCCChurchBenefits](http://GuideStone.org/SBCCChurchBenefits) or contact GuideStone for more details.