



ACNA PROVINCIAL COUNCIL ACNA RETIREMENT PLAN DISCUSSION

Zoom Meeting | June 23-24, 2020

WHAT IS THE ACNA RETIREMENT PLAN?

ACNA Provincial Council

Created in 2016 as the result of the merger of two prior plans, the current plan is a single retirement plan in which all churches and ministries of the ACNA may participate.

- It is a **403(b) defined contribution plan**, a special type of plan created under the Code for churches and other non-profit organizations. It is similar to a 401(k) plan, but quite different from a defined benefit pension plan (like the Clergy Pension plan of the Episcopal Church), in that each participant accumulates an account balance rather than having a fixed benefit at retirement.
- The plan currently has \$44 million in plan assets and 263 participating churches.

WHO OPERATES THE PLAN?

ACNA Provincial Council

- The ACNA administrative staff oversees several parties in the operation of the plan, as follows:
 - **MassMutual** - the plan's recordkeeper
 - **ADMIN Partners** - the plan administrator
 - **Cammack Retirement Group** - the plan's investment advisor
 - **Groom Law Group** - the plan's outside counsel

HOW DOES IT WORK?

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All church/ministry employees and self-employed clergy (but NOT church volunteers), can use the ACNA 403(b) plan to save for retirement on a pre-tax basis.

- Churches/ministries may contribute on behalf of clergy and or lay employees, though no employer contributions are required.
- The retirement plan contributions are remitted by each church/ministry to the plan's recordkeeper, MassMutual, on a regular basis.
- The contributions are deposited into an account for each individual, where such contributions are invested in accordance with an employee's instructions, though investments are limited to a menu of options selected by the ACNA.

HOW DOES IT WORK?

ACNA Provincial Council

- The individual account grows tax free until retirement, when the employee can then withdraw funds. At this point, income taxes on the distribution amounts are paid, though clergy may exclude all, or a portion of, such distributions from taxable income as tax-free housing allowance.
- Due to years of tax-deferred, compound growth, significant sums can be accumulated for retirement, particularly if the individual commences saving at a young age.
- This type of savings account is important, since, for many individuals, Social Security and/or traditional retirement plans (such as the Clergy Retirement Plan of The Episcopal Church) may not provide sufficient income in retirement.

WHY SHOULD CHURCHES/MINISTRIES PARTICIPATE?

ACNA Provincial Council

- **Benefits of a retirement plan without the administrative burden:** Retirement benefits are one of the most valuable benefits for the attraction/retention of employees. Yet, is it expensive and time-consuming for individual churches/ministries to administer their own plans. The ACNA retirement plan removes nearly all of that burden.
 - With the ACNA plan, the churches/ministries simply need to send in the payroll deductions for employee contributions/loan repayments, as well as employer contributions (if any); and even that process is facilitated by a dedicated plan administrator, ADMIN Partners.

WHY SHOULD CHURCHES/MINISTRIES PARTICIPATE?

ACNA Provincial Council

- **Cost savings:** Even for churches/ministries who currently maintain retirement plans, the ACNA retirement plan generally offers significant cost savings (its current recordkeeping fee of \$25 per \$10,000 account balance is less than half of the fee that most churches could obtain on their own, for example), and removes the significant administrative burden of sponsoring their own separate retirement plan.
- **Option for small churches/ministries:** For churches/ministries who believe they are “too small” to provide a retirement benefit, with the ACNA plan, they can do so for as few as one individual, with no cost to them, no dollar deposit minimum, and simple administration.

WHY SHOULD CHURCHES/MINISTRIES PARTICIPATE?

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- **Generous benefits:** The ACNA retirement plan provides a particularly generous benefit for clergy, in the form of distributions that can qualify as tax-free housing allowance, resulting in a completely tax-free benefit that they would be unable to obtain on their own.
 - Contributions that may be made to the ACNA retirement plan are much greater than could be made to an IRA. For clergy, the limits can even be higher than for lay employees.
- **Fiduciary oversight:** A dedicated ACNA Retirement Plan Committee of plan fiduciaries oversees the benefit, working regularly to manage plan administration, select/monitor investments, reduce fees and otherwise maximize the benefit for ACNA clergy and lay employees.
 - Individual churches that maintain their own plans, maintain fiduciary responsibility and liability for doing so, which can be eliminated if they join the ACNA Retirement Plan.

WHY SHOULD CHURCHES/MINISTRIES PARTICIPATE?

ACNA Provincial Council

- **Low cost:** The more congregations and ministries that participate in the ACNA Retirement Plan, the larger the plan will be, which increases the ACNA's ability to further lower plan costs for all plan participants.
 - In fact, the plan recently enjoyed a reduction in recordkeeping fees from \$30 per \$10,000 account balance to \$25, due to the greater number of churches/ministries that are participating.
 - The potential to lower fees even further is significant, as over 700 churches /ministries currently do not participate in the ACNA Retirement Plan.

FOR MORE INFORMATION

ACNA Provincial Council

- More information about the plan is also available on the [Provincial website](#) (click on the retirement icon).
- If you know of any churches ministries that wish to join the plan, they can simply contact the ACNA plan Administrator, ADMIN Partners, at service@youradminpartners.com or **(877) 484-4400** (press option 1 when prompted). Simply mention that they are interested in the ACNA Retirement Plan, and ADMIN Partners will take it from there.
- Also, feel free to contact **Mike Webb** of **Cammack Retirement Group** directly at mwebb@cammackretirement.com or **(646) 839-8232** should you have any questions about the ACNA Retirement Plan.

QUESTIONS? THANK YOU!

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Cammack Retirement Group provides consulting services to plans with combined assets of \$125B, including \$103B on which we provide investment advisory services (as of 6/30/2019).