

ACNA Provincial Council

ACNA Retirement Plan Enhancements



CAPTRUST

What is the ACNA Retirement Plan?

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 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 \$57 million in plan assets and approximately 300 participating churches.



Who Operates the Plan?

- The ACNA administrative staff oversees several parties in the operation of the plan:
 - **Voya Financial:** The plan's recordkeeper (new as of June 2022, replacing MassMutual)
 - **ADMIN Partners:** The plan administrator
 - **CAPTRUST:** The plan's investment advisor (name change as of February 2021, formerly Cammack Retirement Group)
 - **Groom Law Group:** The plan's outside counsel



How Does It Work?

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



How Does It Work?

- The individual account grows tax-free until retirement. At this point, income tax is paid on the distribution amounts. Note that clergy may exclude all (or a portion of) these distributions from taxable income as tax-free housing allowance.
- The compounding growth of this tax-deferred savings can accumulate to a sizable balance for retirement, particularly for those who begin saving at a young age.
- This type of retirement savings account is important, since many individuals may not receive sufficient income from Social Security or traditional retirement plans, like the Clergy Retirement Plan of The Episcopal Church.



Why Should Churches or Ministries Participate?

- **Benefits of a retirement plan without the administrative burden:** Retirement benefits are one of the most valuable benefits to attract and retain employees. However, is it expensive and time-consuming for individual churches and ministries to administer their own plans. The ACNA Retirement Plan helps alleviate that burden.
 - With the ACNA plan, churches or ministries simply submit the payroll deductions for employee contributions, as well as employer contributions (if any). This process is facilitated by a dedicated plan administrator, ADMIN Partners.



Why Should Churches or Ministries Participate?

- **Cost savings:** The ACNA plan offers significant cost savings and removes the administrative burden of sponsoring a their own plan.
 - The current recordkeeping fee of \$15 per \$10,000 account balance is one-third of the fee that most churches can obtain on their own.
- **Availability:** For smaller churches or ministries—even those with as few as one individual—the ACNA plan provides a way to offer a retirement benefit with no cost, no dollar deposit minimum, and simple administration.



Why Should Churches or Ministries Participate?

- **Generous benefits:** The ACNA Retirement Plan provides a generous benefit for clergy with distributions that can qualify as tax-free housing allowance—resulting in a completely tax-free benefit that would be otherwise unavailable.
 - Allowable contributions are greater to the ACNA Retirement Plan than to an individual retirement account (IRA). The limits are higher for clergy than for lay employees. The limits are even higher for clergy than for lay employees.
- **Fiduciary oversight:** A dedicated ACNA Retirement Plan Committee of fiduciaries oversees the benefit, manages plan administration, selects and monitors investments, works to reduce fees and otherwise maximize the benefit for ACNA clergy and lay employees.
 - Individual churches that maintain their own plans have the fiduciary responsibility and liability for doing so, which is eliminated if they join the ACNA Retirement Plan.



Why Should Churches or Ministries Participate?

- **Low cost:** The more congregations and ministries that participate in the ACNA Retirement Plan, the larger the plan will be. This scale can help decrease plan costs for all plan participants.
 - The plan recently reduced recordkeeping fees from \$25 per \$10,000 account balance to \$15 per \$10,000, due to the greater number of participating churches and ministries.
 - With more than 600 churches and ministries not yet participating in the ACNA Retirement Plan, there is potential to lower fees further.



For More Information

- Additional information on the plan is available on the [Provincial website](#) (click on MORE at the top of the page, then EMPLOYEE BENEFITS & INSURANCE, then RETIREMENT).
- Churches and ministries interested in joining the plan can contact the ACNA plan administrator, [ADMIN Partners](#), at service@youradminpartners.com or **(877) 484-4400** (press option one, when prompted). Simply mention that they are interested in the ACNA Retirement Plan, and ADMIN Partners will take it from there.
- Feel free to contact [Mike Webb](#) of [CAPTRUST](#) directly at mike.webb@captrust.com or **(646) 839-8232**, should you have any questions about the ACNA Retirement Plan.

