



# Eder Financial

BOLD. BALANCED. TRUSTED.

## **Updated Housing Allowance Designation:**

The enclosed Housing Allowance Designation is provided for your tax records. The previous version was an unsigned. Please note that this worksheet is for your personal files only, to be used when working with your tax preparer, and should not be returned to Eder.

If you choose to use any portion of your retirement account balance to purchase an annuity through Hueler Investment Services, LLC's Income Solutions® Annuity Marketplace, please be aware that you will need to retain a copy of this housing designation for all future tax years, as it will continue to apply to annuity payments received from that purchase for clergy members.

Additionally, if you received an annuity issued before January 2025, managed by Securian, you may also retain this copy of this housing designation for all future tax years, as it will continue to apply to annuity payments received for clergy members.

*Eder Financial does not provide tax advice. You are encouraged to check with your tax professional to understand how your individual tax situation may be impacted. The information is for illustrative and educational purposes only.*

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## 1099-R's SENT SEPARATELY

Visit [securian.com/pension-payments](http://securian.com/pension-payments) for an annuity issued before January 2025, contact your annuity provider for annuities issued after January 2025.

## DO NOT RETURN THIS FORM TO EDER FINANCIAL

As a minister who receives retirement income in the form of annuity and/or periodic payments from the Eder Retirement Plan, the Internal Revenue Service allows you to exclude housing from this income. The Eder Financial Board voted to designate up to 100 percent of your retirement benefit as eligible for housing allowance.

**A copy of the Resolution is available on page two of this document.**

A worksheet is provided below to assist you in determining your housing allowance exclusion. Complete this worksheet and keep it in your files. The allowable housing allowance is the least of the following amounts —

- The total of your actual housing expenditures, or
- The fair rental value of your house plus utilities, or
- Your total Eder Retirement Plan retirement income.

If you are serving a church and receiving a housing allowance from the church, only housing expenses not covered by the church should be reported here. If you did not receive your retirement income for the full year, figure only those housing expenses incurred after you began receiving your retirement income payment. If you have any questions regarding the determination of your housing allowance, we encourage you to contact a tax professional to guide you in this matter.

**A. Figure your actual annual expenditures:**

1. Rent or mortgage payments for your house and garage ..... \_\_\_\_\_
2. Utilities (gas, electric, oil, telephone charges, water, sewer, garbage)..... \_\_\_\_\_
3. Insurance and taxes on your house ..... \_\_\_\_\_
4. Maintenance and repairs ..... \_\_\_\_\_
5. Furnishings and appliances (purchase and repair)..... \_\_\_\_\_
6. Total (add lines 1 through 5)..... \_\_\_\_\_

**B. Figure the fair rental value plus utilities:**

7. Fair rental value of your furnished house and garage ..... \_\_\_\_\_  
(It may be helpful to get a written appraisal from a local realtor.)
8. Utilities (gas, electric, oil, local telephone charges, water, sewer, garbage)..... \_\_\_\_\_
9. Total (add lines 7 and 8)..... \_\_\_\_\_

**C. Annual housing allowance (line 6, line 9, or total retirement income from Eder, whichever is the least amount)..... \_\_\_\_\_**

## Keep this worksheet for your records.

Annuitants should retain this signed housing allowance designation, which may be relevant to future tax filings. Please consult your tax advisor for guidance.

## RESOLUTION HOUSING ALLOWANCE DESIGNATION

WHEREAS, section 107 of the Internal Revenue Code, as amended, permits ministers of the gospel to exclude from gross income (in computing federal income taxes) amounts paid to them as part of their compensation to rent or otherwise provide a home if such amount is designated by a church or other qualified organization as housing allowance, to the extent such an allowance is not in excess of the annual fair rental value of their home and is used by them for actual expenses in owning or renting a home; and

WHEREAS, ministers receive payments from the Eder Retirement Plan (the "Plan"), a retirement plan maintained by Eder Financial, Inc. ("Eder"), and such payments are attributable to compensation deferred with respect to past services performed in the exercise of ministry, as ministers of the gospel; and

WHEREAS, in addition, it is anticipated that assets of the Plan will be used to purchase one or more annuity contracts that will provide payments to participants who have elected an annuity form of distribution prior to November 20, 2024. For purposes of this Resolution, the payments made by such annuity contracts are referred to as the "Lift-Out Annuity Payments"; and

WHEREAS, in addition, it is anticipated that the Plan will cease to provide an annuity form of distribution effective with respect to benefit elections after November 20, 2024 and Eder will engage one or more vendors to establish a process by which a participant can select an annuity contract from bids provided by multiple insurance companies; such process will be available only with respect to amounts to be distributed from the participant's Plan account and will occur substantially contemporaneously with such distribution from the Plan; and

WHEREAS, following a participant's annuity selection, the assets in the participant's Plan account will be rolled over to an individual retirement account established by the applicable insurance company and used to purchase the annuity contract from which payments will be made to the participant. For purposes of this Resolution, the payments made by such annuity contracts are referred to as the "Rollover Annuity Payments"; and

WHEREAS, in the case of participants who are ministers, payments made directly from the Plan, the Lift-Out Annuity Payments and the Rollover Annuity Payments are each attributable to compensation deferred with respect to past services performed in the exercise of ministry, as ministers of the gospel;

NOW, THEREFORE, BE IT RESOLVED,

- That up to 100 percent of the total payments provided by the Plan, including payments made directly from the Plan, the Lift-Out Annuity Payments and the Rollover Annuity Payments, on or after the date of this resolution, during the 2025 calendar year and in future calendar years are hereby designated as eligible housing allowance, to the extent permitted by section 107 of the Internal Revenue Code.
- That the Eder President, Vice President – Products and Services and Retirement Benefits Director are hereby delegated the authority to execute any additional housing allowance designation documents on behalf of Eder as such individuals determine to be necessary or appropriate to implement or confirm the designation made herein.

The undersigned, being the Chairperson of the Board of Directors of Eder Financial, Inc., certifies that the foregoing resolutions were adopted on November 21, 2024 at a meeting of the Board of Directors of Eder Financial, Inc.

By: Donna Rhodes  
Donna Rhodes (Dec 9, 2024 09:03 EST)

# CLERGY HOUSING ALLOWANCE and your Eder Retirement Plan account



Generally speaking, distributions from your Eder Retirement Plan account are taxable income. But did you know that distributions **to clergy** are eligible for clergy housing allowance exclusion — potentially up to 100 percent?

Eder Financial has the authority to declare distributions from the Eder Retirement Plan as eligible for housing allowance. **Retain this signed 2025 Housing Allowance designation letter for your annuity through Securian or purchased through Hueler marketplace.**

The following questions and answers illustrate the value provided by your Eder Retirement Plan account.

QUESTIONS	ANSWERS
What does housing exclusion mean for me?	This means you can exclude <b>qualifying</b> housing expenses from the taxable income you receive from your Eder Retirement Plan account. This could save you considerable income tax over the years of your retirement.
What is the process by which distributions from my Eder Retirement Plan account are declared eligible for housing allowance?	Each year, Eder Financial adopts a resolution designating up to 100 percent of clergy distributions from the Eder Retirement Plan as eligible housing allowance, to the extent permitted under IRS rules.
<b>In other words</b> , if you are a member of the Eder Retirement Plan and your yearly taxable income is \$20,000, with \$10,000 of that qualifying as eligible housing expenses, your taxable income for the year, could be reduced to \$10,000.	
How can I prove to the IRS that my retirement income is housing allowance exclusion-eligible?	Eder provides two documents to support your claim to clergy housing allowance. The first is the annual resolution previously mentioned. The second is your Form 1099-R. Of course, you are responsible for demonstrating that the distributions you receive with the housing allowance designation were actually spent on qualified housing expenses.
Will secular retirement account providers supply the required documentation to satisfy IRS housing allowance regulations?	A secular retirement plan provider (e.g., a mutual fund company, annuity provider, or recordkeeper) cannot make a retiree housing allowance designation for a participant in a retirement plan it serves.
Will my income from Eder Retirement Plan be designated as housing allowance even if I am no longer ordained or licensed clergy in retirement?	Yes, if the contributions to your Eder Retirement Plan account came from earnings during the course of your ministry as an <b>ordained, licensed, or commissioned minister</b> , your future income in the form of distributions from your Eder Retirement Plan account will be eligible for the housing allowance exclusion to the extent permitted by the IRS.
If my house is paid off when I start to receive income from my Eder Retirement Plan account, will housing allowance still benefit me?	Yes. There are other housing expenses besides a mortgage payment. Those expenses can include: property taxes, utilities, renters or homeowners insurance, maintenance and repairs, HOA, and home furnishings. So even if your house is paid off, some of the distribution you receive from your Eder Retirement Plan account can be excluded from taxable income.

Clergy housing allowance is just one of the many value-added features of your **Eder Retirement Plan** retirement savings account. Should you have additional questions concerning the value of housing allowance and your Eder Financial account, please contact a Retirement Planning Consultant at [retirement@eder.org](mailto:retirement@eder.org).

**Eder Financial does not provide tax advice. You are encouraged to check with your tax professional to understand how your individual tax situation may be impacted. The information is for illustrative and educational purposes only.**