



Eder Financial

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Eder Retirement Plan Adoption Agreement FAQ

Eder Financial received recognition from the IRS as a pre-approved 403(b) plan. This designation is highly desirable, as it demonstrates the Plan has been formally approved as meeting the requirements of the Internal Revenue Code. Every organization that participates in Eder Retirement Plan is required to sign an IRS pre-approved Adoption Agreement.

What is an Adoption Agreement?

An Adoption Agreement is the document that shows your enrollment in Eder Retirement Plan. It outlines the scope, responsibilities, and rules of your retirement plan with Eder.

What does my organization need to do?

Your organization must review, make selections, and sign the document which will include the name of your organization, your plan administrator's contact information, and details about your plan. Your organization will also provide a board resolution that shows when your board met and agreed to enroll or re-enroll in Eder Retirement Plan. For some larger nonprofits (not a church), the benefits approval responsibility may have been delegated to the CEO, president, or HR director. Eder can discuss this with your organization as needed. Please refer to the board resolution template we've provided.

Quick check:

- ☐ Review the Adoption Agreement sample or template.
- ☐ Review the addendums.
- ☐ Plan to meet as a board to approve/re-enroll in the plan, as needed for small nonprofits and churches.
- ☐ Send the board resolution to Eder.
- ☐ Schedule a meeting with Eder if there are any questions or concerns
- ☐ Review the other plan documents:
 - IRS Opinion Letter
 - Eder Legal Plan Document
 - Eder Retirement Handbook & Eder Retirement Investments Offering Book

What needs special consideration?

- Is the principal contact for your organization updated? (The person who will have ongoing contact regarding operation of the plan, likely treasurer or administrative staff)
- Will we be operating under your own organization's EIN?
- When will your organization contribute to the plan? (e.g., per pay period, monthly)
- What is your definition of salary to base contributions upon (e.g., includes bonus, etc.)?
- Are there any other retirement plans your organization is contributing to for your employees? You must disclose this information.
- Do you have any related organizations to your church that participate in a retirement plan (like a daycare, etc.)? You must disclose this information.
- If you have a parsonage, you may want to consider a provision to allow your church to make Employer Pastor Housing Fund Contributions on behalf of former pastors.
- Will employees other than pastors be eligible for the plan?

Please contact clientservices@eder.org or your Eder Client Services representative, if you have questions.

Step-by-step guide

CHURCH OF THE BRETHREN CHURCHES

This guide is designed to walk you through the process of completing your new Retirement Adoption Agreement. We've broken down each section to make it easy to understand and help you fill out the sections you need. Each section below lines up with each section on the Adoption Agreement.

The addendums included are important for review. This adoption agreement complies with the Pastoral Compensation and Benefits Committee recommendations, denominational recommendations, and Eder administrative and compliance recommendations.

If you have any questions along the way, our Client Services team can help. Please email clientservices@eder.org or your Eder Client Services representative.

ADOPTION AGREEMENT

I. BASIC INFORMATION

Review your organization name, address, contact information and EIN for accuracy. You will need to provide your organization's EIN on page two OR if your church does not have its own EIN, please reach out to us for assistance.

II. EFFECTIVE DATE

The amended adoption agreement section has been pre-selected for your organization. If you have never been a part of Eder Retirement Plan, please deselect that option and choose "New Plan." Provide an effective date. We recommend the first day of the upcoming month if you are finalizing this document by the 20th day of the month. Please note, this is when you will have direct deposit contributions put into the Eder retirement accounts of your employees.

III. ELIGIBILITY FOR TAX-SHELTERED CONTRIBUTIONS AND ROTH CONTRIBUTIONS

There are no recommendations from the Pastoral Compensation and Benefits Committee (PCBAC). **Please review this section carefully as it will direct which of your employees can make contributions to the plan.** Eder has preselected the second check box for your organization's administrative ease, but you may choose multiple boxes. **If your organization will allow other employees other than the pastor to make contributions please delete the third box.** Disregard Automatic Enrollment and Automatic Escalation that section is not available to churches under this plan.

IV. ELIGIBILITY FOR EMPLOYER CONTRIBUTIONS

Eder recommends leaving this section blank because it is not typical for church employees to have a service requirement.

Section A: Eder strongly recommends leaving the same eligibility requirements for sections III and IV. **If your organization will make contributions for employees other than the pastor you will need to deselect the last box.**

Section B: Eder strongly recommends leaving the section blank because the PCBAC recommends matching rather than basic contributions.

V. AMOUNT OF EMPLOYER CONTRIBUTIONS

You must review the addendum that has the PCBAC recommendations for employer contributions.

VI. ENTRY DATE FOR COMMENCEMENT OF EMPLOYER CONTRIBUTIONS

Select the day that you will begin contributions for any new employee. We have preselected the first day described in Part IV, for administrative ease to avoid compliance issues.

VII. DEFINITION OF SALARY

You must choose what salary definition you will use to serve as the totals you will base the percentages on for contributions. We have selected the most common example NOT to include reimbursements/expense allowances, bonuses, or overtime. If you wish to make another election, please email clientservices@eder.org.

- a. Selected is the Eder recommendation that will allow for administrative ease to avoid compliance issues. If you wish to make another election, please email clientservices@eder.org.

VIII. VESTING

The PCBAC recommendation has been provided. There is no need to select anything in the section on page eight.

IX. PARTICIPANT LOANS

The denominational recommendation has been selected. This is not an elective that can be changed.

XI. AUTHORIZED EMPLOYER REPRESENTATIVES

Please provide two representatives (e.g. board chair, treasurer). **If an employer representative changes, you must email clientservices@eder.org immediately.**

Signature page: Please have one representative sign page 12 under adopting Employer. Eder will sign the "on behalf of Eder" section.

XII. OTHER INVESTMENT ARRANGEMENTS

Please leave this box blank. If you believe this section applies to you reach out to clientservices@eder.org.

Addendums

EMPLOYER CONTRIBUTION ADDENDUM

CHURCH OF THE BRETHREN CHURCHES, DISTRICTS AND CAMPS

This addendum is filled out as is recommended by PCBAC.

Section B

For administrative ease and to prevent compliance issues Eder strongly recommends selecting payroll period or calendar month for contributions.

EMPLOYER BASIC CONTRIBUTIONS

Eder does not recommend a basic contribution but rather the PCBAC matching contributions. Eder recommends leaving this section blank.

EMPLOYER PASTOR HOUSING FUND CONTRIBUTIONS

Please review this section carefully.

CHURCH WORKERS ASSISTANCE PLAN CONTRIBUTIONS

Please review this section carefully. This section outlines the expectation to contribute to the church workers assistance plan.

EDER RETIREMENT PLAN ADMINISTRATIVE APPENDIX

Be sure to review this section carefully, it outlines your responsibility to administer your church's retirement plan.

FORMER EMPLOYEE CONTRIBUTION ADDENDUM EMPLOYER PASTOR HOUSING FUND CONTRIBUTIONS

Disregard this addendum and final signature page if you do not have a parsonage. If you have a parsonage and would like to consider this addendum, please reach out to Eder clientservices@eder.org.