

# YOUR RETIREMENT FUND

## ONE FUND, TWO PLANS

As a Y employee, you are given a special opportunity to save for your future. These two Plans enable you to build your retirement savings.

### The Retirement Plan

The Retirement Plan is a 401(a) defined contribution church pension plan. You must meet the age and service requirements to enroll.

### The Savings Plan

The Savings Plan is a 403(b) church retirement income account plan, available to all employees of participating Ys.

### When can I start saving for retirement?

As early as your first day of employment, you can begin to save for retirement in a tax-deferred 403(b) Smart Account in the Savings Plan. You can also roll over money from eligible employer pension plans or certain IRAs to a Rollover Account.

### Becoming Eligible for the Retirement Plan

To become eligible for the Retirement Plan, you must have completed 1,000 hours of service during each of any two 12-month periods, beginning with your date of hire or anniversary date. The two 12-month periods do not have to be consecutive. You must also be at least 21 years of age.

### Vesting in the Retirement Plan and Savings Plan

Vesting is the right to ownership of amounts in your accounts. You are always vested in the Savings Plan. When you meet the eligibility requirements for the Retirement Plan, your participating Y will enroll you, and you will be immediately vested.

## YOUR RETIREMENT SAVINGS

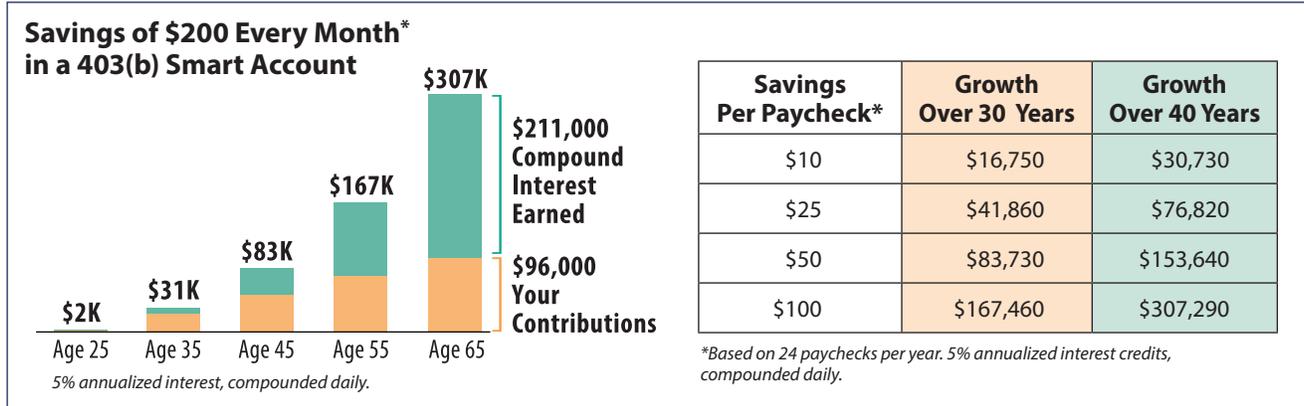
### Build Your Savings With The Fund

The Fund's 403(b) Smart Account gives you an easy and safe way to save for retirement. Contributions are made through payroll deduction. You can start, stop or change the contribution amount (dollar, percentage, or lump sum) at any time. Account balances have never gone down despite market volatility. The Smart Account offers:

- A safe & secure choice
- Flexibility
- Access to your money
- Tax deferral
- A favorable annuity

## START SAVING EARLY

Saving sooner rather than later for retirement has a big advantage. The longer you wait to save for retirement, the more you miss out on the benefits of compound interest. Compound interest is when your interest earns interest.



## TAKE ADVANTAGE OF TAX-DEFERRED OPPORTUNITIES

Saving for retirement in a 403(b) Smart Account provides the benefit of reducing your taxable income. You'll have to pay Social Security and Medicare taxes on the amounts you save, but you won't have to pay federal income taxes on

**403(b) Smart Account Tax Benefits**

Saving Tax-Deferred	\$0 Saved	\$75 Saved
Your Taxable Y Income	\$1,500	\$1,500
403(b) Smart Account	\$0	-\$75
Taxes Withheld	-\$152.94	-\$143.94
<b>Your Take Home Pay</b>	<b>\$1,347.06</b>	<b>\$1,281.06</b>

**You saved \$75, but your pay is only reduced by \$66.00**

*Based on 2019 Federal Filing Status of "single" with zero federal allowances and no state income tax. Twenty-four pay dates per year.*

those amounts or on the account's earnings until you withdraw them or begin receiving an annuity. In most cases, you can defer state and local taxes as well.

It's important to understand you are postponing taxes, not eliminating them. Although there's no guarantee what the tax rates will be in the future, many people find themselves in a lower tax bracket when they retire than while they were employed.

## ROLL IN YOUR MONEY

The Savings Plan accepts rollovers from qualified plans, tax-deferred annuities, deferred compensation governmental plans, and Traditional IRAs. You can also roll over SIMPLE IRA plans that were established for you at least two years ago by your previous employer or SEP IRAs. Rollovers of after-tax contributions from an eligible retirement plan are accepted, but not Roth IRAs. The *Rollover Authorization* form is available at [www.yretirement.org](http://www.yretirement.org).

## DETERMINE WHETHER YOUR RETIREMENT SAVINGS ARE ON TRACK

At Age	Benchmarks for Saving*
30	0.60 X YOUR SALARY
35	1.30 X YOUR SALARY
40	2.10 X YOUR SALARY
45	3.10 X YOUR SALARY
50	4.20 X YOUR SALARY
55	5.40 X YOUR SALARY
60	6.90 X YOUR SALARY
65	8.60 X YOUR SALARY

\*Assuming a starting salary of \$25,000, a constant wage growth of 2%, 5% interest credit earned, a replacement ratio of 85%, and retirement age of 65.

### Resources

Go to the **Resource Center** on the Fund's website at [www.yretirement.org](http://www.yretirement.org) to:

- Read more about the Fund in our publication titled *Guiding You Through the YMCA Retirement Fund*
- Read our FAQs
- Review the Glossary
- Access and Download Forms
- Watch Fund Videos