Guiding You Through

THE YMCA RETIREMENT FUND

YMCA RETIREMENT FUND
SAVINGS FOR LIFE

ABOUT US

The YMCA Retirement Fund was incorporated in New York in 1921. As a 501(c)(3) not-for-profit corporation, the Fund is organized and operated for the purpose of providing retirement and other benefits for employees of participating YMCAs throughout the United States.

OUR MISSION

The mission of the YMCA Retirement Fund is to empower YMCA employees to achieve economic security, enabling them to focus on strengthening communities through their work for the YMCA.

HOW TO CONTACT US

YMCA Retirement Fund, 120 Broadway, New York, NY 10271

Hours: 9:00am–5:00pm Eastern Time

Toll-Free: 800-RET-YMCA (800-738-9622)

Email: info@ymcaret.org

Website: www.yretirement.org

Live Chat: 9:00am–5:00pm Eastern Time

Facebook: www.facebook.com/ymcarf

Welcome to the YMCA Retirement Fund
Inside you'll find clear, easy-to-read explanations of many of the key aspects of the Savings Plan and the Retirement Plan.

GETTING TO KNOW YOUR RETIREMENT FUND

The YMCA Retirement Fund is your partner in saving and planning for retirement.

ONE FUND, TWO PLANS

The YMCA Retirement Fund offers two plans to help YMCA employees build their retirement savings: the Savings Plan and the Retirement Plan. The Savings Plan provides you the opportunity to start saving on day one of your employment and you are able to increase or change your contributions at any time. You are eligible to participate in the Retirement Plan once you satisfy the age and service requirements, and contributions are determined by your Y. Contributions are invested by the Fund for the long-term.

The Savings Plan
The Savings Plan is a 403(b) church retirement income account plan, available to all employees as early as the first day of employment with a participating Y (see page 4).

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 (see page 6).

When can I start saving for retirement?
From 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 (see page 5).

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 Plans
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.

Retirement Plan Contribution Rates
Contributions to the Retirement Plan are based on a percentage of your eligible compensation from the Y. Each participating Y chooses a contribution rate between 8% and 12%. Some Ys contribute the entire amount, whereas others may require that both you and your Y contribute.

Investments
The money saved in both Plans is invested at the direction of the Fund's Board of Trustees by the Fund's highly qualified investment staff. Investments are made in a variety of vehicles, to ensure future growth and to assure retirement income to all participants who retire from a Y.

On the basis of how well the investments perform as well as other considerations, the Fund's Board of Trustees declares the interest rate that will be credited to your accounts.

How Your Retirement Savings Grow
Your savings grow on the basis of the contributions being made by you and your Y, as well as interest credited to your accounts. Account balances have never gone down despite market volatility.

Working for Multiple Ys
In the course of your Y career, you might move from one Y to another, but your retirement savings will stay at the Fund.

When You Retire
Once you are no longer working for a Y, you can start receiving an annuity as early as age 55. An annuity pays you a monthly income for life (see page 10).

Income for Life
Upon age 55 and separation from Y employment, participants have access to lifetime retirement income in the form of an annuity, so you do not have to worry about outliving your savings.
We offer annuities directly to you, eliminating the fees associated with buying one on your own.

TAKING CHARGE OF YOUR RETIREMENT SAVINGS

Saving is easy because there is no minimum required contribution, and you can start, stop or change your future contributions at any time.

BUILD YOUR SAVINGS WITH THE FUND

The Savings Plan
Any employee of a participating Y can enroll in the Savings Plan as early as their first day of employment, regardless of age or hours worked. You may open a 403(b) Smart Account and/or roll in accounts from other eligible employer pension plans and certain IRAs.

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 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 that they are required to pay income tax at a lower rate after they retire.

403(b) SMART ACCOUNT TAX BENEFITS

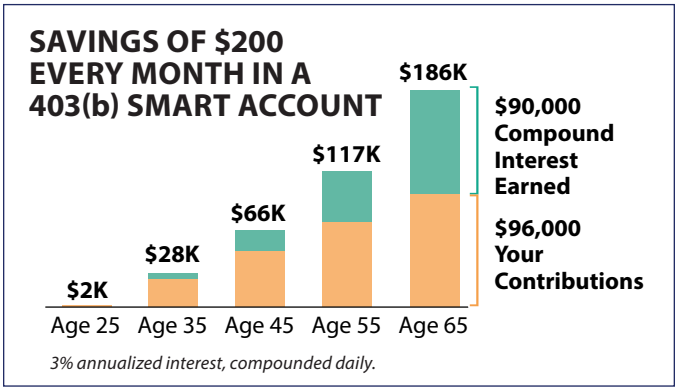
Saving Tax-Deferred	**$0 Saved**	**$100 Saved**
Your Taxable Y Income	$1,500	$1,500
403(b) Smart Account	$0	–$100
Taxes Withheld	–$110.88	–$98.88
Your Take-Home Pay	**$1,389.12**	**$1,301.12**

You saved $100, but your pay is only reduced by $88.00

Based on 2021 Federal Filing Status of "single" with zero federal allowances, no state income tax and no FICA tax withholding. Twenty-four pay dates per year.

Starting Early is Key

Over time, compound interest makes a big impact.



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 contributions or amounts from Roth IRAs. The *Rollover Authorization* form is available at *www.yretirement.org*.

Loans—Only Available from the Savings Plan

You may borrow up to 50% of your total balance in the Savings Plan, or $50,000 (minus your highest outstanding loan balance from the prior 12 months if you have previously taken another loan), whichever is less. The minimum amount you can borrow is $1,000. You must have a balance of at least $2,000. You have up to five years to repay your loan through payroll deduction and you may only have one loan outstanding at any time. Loans are not available from the Retirement Plan and can only be taken while you work for a Y. Any outstanding loan balance becomes immediately due if you stop working for the Y. Loan origination fee may apply.

Steps to Reach Your Retirement Goals

1. Create an online account by going to the YMCA Retirement Fund's website at *www.yretirement.org*
2. Use the Retirement Goal Calculator, where you can estimate your future monthly annuity payment.
3. Enter the amount you would like to receive each month.

The calculator will tell you how much you need to save now to receive that amount in retirement.

OVERVIEW OF THE RETIREMENT PLAN

Unless you are a late starter and need to catch up, retirement experts recommend you save 15% of your annual salary every year, throughout your career, to help replace 85% of your final year's salary in retirement. This 85% comes from all sources: your pension, Social Security, and personal savings.

ELIGIBILITY FOR THE RETIREMENT PLAN

Your Eligibility Depends on Two Things

1. **Y Service**—You must complete 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.
2. **Age**—Once you have completed the service requirement, you will be enrolled on the first day of the month following your anniversary date, provided you are 21 years of age. If your anniversary falls on the first of the month, you will be enrolled on your anniversary date.

When you become eligible, your Y will enroll you in the Retirement Plan, and you will be immediately vested. Except in certain limited cases, participation in the Retirement Plan is mandatory once both eligibility requirements are met. Once eligibility has been met, all wages are then subject to Retirement Plan contributions regardless of hours worked. In addition, you maintain your eligibility even if there is a break in service of any length of time.

Retirement Plan Contributions

Contributions to the Retirement Plan are based on your eligible compensation. Your Y chooses a total contribution rate of 12%, 11%, 10%, 9%, or 8%. Your Y will inform you of its contribution rate and whether there is an employee share arrangement.

How Contributions Work

Suppose your Y has chosen a 12% contribution rate and your paycheck is $1,500. If your Y makes the entire contribution, $180 will be contributed to your YMCA Account after every payroll. If your Y has chosen to contribute 7% and requires you to contribute 5% of your compensation on an after-tax basis, it will contribute $105 to your YMCA Account, and $75

Contribution Rate = 12%, Your Paycheck = $1,500	Y Pays	Your Y and You Pay
YMCA Account (paid by Y)	$180	$105
Personal Account (paid by you)	$0	$75
Total Contribution Each Paycheck	**$180**	**$180**

will be deducted from your paycheck and contributed to your Personal Account in the Retirement Plan.

ADDITIONAL BENEFITS

Pre-Retirement Death Benefits

If you were enrolled in the Retirement Plan before January 1, 2019, and die while you are employed with the Y, the total benefit paid to your beneficiaries will be the greater of $10,000 or the sum of the amounts in your Personal Account, YMCA Account, and YMCA Account (Legacy). However, if you became enrolled in the Retirement Plan on or after January 1, 2019, your total account balance will be paid as the death benefit to your beneficiaries.

Disability Retirement

If you are under age 60 and become permanently and totally disabled, meaning you are incapable of working in gainful employment and your condition isn't expected to improve, you may be eligible to receive this annuity from the Fund. To qualify for this benefit:

- Contributions must have been made to your YMCA Account for at least 60 months prior to applying for this benefit;
- You must have become disabled while you were employed at a participating Y;
- You must not have taken advantage of withdrawals from the Retirement Plan that are payable only after terminating your Y employment;
- You must apply for disability benefits within six months after terminating your Y employment; and
- You must be approved for this benefit by the Fund's disability claims administrator.

Beneficiaries

When you do not have a surviving designated beneficiary, any amounts payable from your accounts in the Plans will be paid in the following order of priority:

1. Your surviving spouse,
2. Your surviving children equally, or
3. Your estate.

WITHDRAWING YOUR MONEY

You might think you will need income in retirement that is equivalent to your salary before you retire. However, in retirement, many of your expenses will change:

- Income taxes are likely to go down
- FICA (Social Security and Medicare tax deductions) will end
- No longer saving for retirement

AFTER LEAVING A YMCA

Once your Y has notified the Fund that you have left employment, you will receive a letter outlining your options. If you have reached age 55 and have more than $5,000 in either the Retirement Plan or Savings Plan, you can start an annuity that provides lifetime income in retirement.

However, you may also be able to take a withdrawal. The Personal Account, After-Tax Account, 403(b) Smart Account and Rollover Account can be withdrawn at any time. Rules vary for the YMCA Account and YMCA Account (Legacy) as indicated below.

If you have both of these, you can take a withdrawal based on your age and balance at the time you make the request:

	Your Age	Balance
• **YMCA Account** • **YMCA Account (Legacy)**	55 or older	The sum of both accounts is $100,000 or less, or you have only one of these and the balance is $100,000 or less

If the above example is not applicable, you can also take a withdrawal based on the following:

	Your Age	Balance
• **YMCA Account**	Under 55	$5,000 or less when you request the withdrawal
	55 or Older	$100,000 or less when you request the withdrawal
• **YMCA Account (Legacy)**	Any Age	$25,000 or less at the time you terminated Y employment

If your account(s) does not qualify for a withdrawal, you can use the funds for an annuity as early as age 55 (see page 10).

Whether you withdraw your accounts or start an annuity with the money in either the Retirement Plan or Savings Plan, you may leave your balance in the other Plan to continue to earn interest as long as it exceeds $5,000. However, neither you nor the Y can make further contributions.

Due to recent changes in the law, if your 70th birthday is July 1, 2019 or later, you must begin receiving your benefits in the form of a Requirement Minimum Distribution at age 72 or when you leave YMCA employment, whichever is later. A Required Minimum Distribution is the minimum amount you must withdraw each year.

Any account balance remaining in your Savings Plan and Retirement Plan at the time of your death will be paid to your beneficiaries.

Spousal Consent
Married participants with more than $5,000 in either the Savings Plan or Retirement Plan must obtain notarized spousal consent to take a withdrawal.

Retire... Rehire?
Federal tax law generally prohibits a pre-arranged strategy to collect retirement benefits while still employed. It is also a violation of the Retirement Plan's rules.

WHILE WORKING FOR A YMCA

If you have an After-Tax Account and/or Rollover Account, they may be withdrawn at any time. If you are age 59½ or older, you can withdraw your entire Savings Plan.

If you are under age 59½, you may withdraw from your Savings Plan only if you have an IRS-qualified financial hardship. The YMCA Retirement Fund requires proof of your hardship. No other accounts can be withdrawn while working for a Y.

Taxes
Unless you roll your money over to an IRA or eligible employer plan, it is subject to taxes and potential IRS penalties. The Fund is required to withhold 20% of the taxable portion of your withdrawal for federal income taxes. If you are under age 59½, the IRS may require payment of an additional 10% penalty at the time you file your income taxes.

WHEN YOU'RE READY TO RETIRE

There are three sources of income that may be combined to provide for your retirement:

- YMCA Retirement Fund Plans and other retirement accounts
- Personal Savings and investments
- Social Security

A YMCA RETIREMENT FUND ANNUITY

If you are no longer working for a Y and have more than $5,000 in either Plan, you can start a lifetime annuity as early as age 55. You can start an annuity with the money saved in either the Retirement Plan or Savings Plan, while leaving your balance in the other Plan, as long as it exceeds $5,000, to continue to earn interest.

To start your annuity, contact us at 800-RET-YMCA or email info@ymcaret.org no earlier than 180 days prior to your retirement date (please do not email personal or sensitive information).

STEPS TO CHOOSING YOUR ANNUITY

1. Select the Type of Annuity:

- A *Single Life* annuity provides income for your lifetime but does not provide income for a survivor. Payments end at your death.
- A *Joint & Survivor* annuity provides income for your lifetime and, when you pass away, the lifetime of a designated survivor.

2. Select an Annuity Option:

- *Single Life Annuity Maximum*—provides the greatest amount of monthly income during your life but does not guarantee recovery of your balances.
- *Single Life Annuity Principal Guarantee*—guarantees the recovery of your account balances; any amount remaining at your death will be paid to your beneficiary(ies). These payments are smaller than the maximum annuity.
- *Joint & Survivor Annuity*—provides a monthly income for you and, when you pass away, for your designated

survivor. Depending on the option you choose, your designated survivor will receive either 100%, 75%, or 50% of the amount of your monthly income.

If you are married, your spouse must consent to your selection of any other annuity or any other designated survivor.

- *Joint & Survivor Annuity Pop-Up*—this option works like a *Joint & Survivor Annuity*; however, if your designated survivor dies before you, your monthly payment will increase to the level of a *Single Life Annuity Maximum*.

3. Would you like to add Social Security Leveling?

- This feature allows you to receive more income before age 62; however, payments will decrease after reaching age 62, and to offset the decrease, you may need to start receiving Social Security benefits at age 62.

It is important to make a selection that best suits you. After your annuity has started, the option and/or designated survivor (if applicable) you select cannot be changed or modified in any way.

THE RETIRED DEATH BENEFIT

The Retired Death Benefit is an amount that is set aside by the Fund at the time of retirement for use as a death benefit and is not part of your account balances. The amount of the Retired Death Benefit is equal to the first year's *Single Life Annuity Maximum* and is based solely on the contributions to the Personal Account, YMCA Account, and YMCA Account (Legacy). At the time you retire, you must designate your beneficiary(ies) for the Retired Death Benefit. You may change or modify your selection at any time.

This benefit is not available to you if you first became a Retirement Plan participant on or after January 1, 2019.

Annuity Calculation

Your annuity income will be based on your age and account balances at retirement, the interest rate that is used to convert your account balances, and the annuity option you select. For *Joint & Survivor* annuities, the age of your designated survivor is also used to calculate your annuity income.

Log in to your account at www.yretirement.org to get an annuity estimate.

STAY INVOLVED

Log in to your account at *www.yretirement.org* to:

- Update your address, phone and/or email address
- Designate a person, trust (specific guidelines apply), organization, or estate to receive benefits after death
- Use the annuity and goal-setting calculators to estimate your future retirement income
- Check transactions on your accounts
- View benefit statements
- Take a withdrawal from eligible accounts

YOUR PART

When it comes to retirement planning, being an engaged partner with the Fund is essential to setting and reaching your goals. Take advantage of the tools and resources provided by the Fund.

Review Your Benefits Statement

While working for the Y, you will receive a quarterly statement in your online account on the Fund's website showing your Plan accounts and the growth of your retirement savings. Whether you are still working at the Y or have left and kept your money at the Fund, you will receive an annual statement every July.

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.*

Social Security

Learn more about your Social Security benefits by visiting the Social Security website at www.ssa.gov:

- View your Social Security Statement
- Use the Retirement Estimator to calculate benefits
- Apply for benefits and more

To read more details about the terms used in this guide and the plans of the YMCA Retirement Fund, read the Summary Plan Description Booklet and Plan Documents at www.yretirement.org.

JUNE 2021

If any inconsistencies arise between this guide and the Plan Documents, the language in the official Plan Documents will govern. The YMCA Retirement Fund has made every attempt to ensure the accuracy of this material, however, it should not be construed as legal, accounting, financial, investment or other advice. The Fund reserves the right to revise this information at any time to correct errors or otherwise. If it appears that any item is incorrect, please contact the YMCA Retirement Fund.

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