



This agreement is an [check one]  original agreement  amended agreement.

This document is for the use of Assemblies of God (AG) ministry employers which meet all of the following requirements:

- Are one of the following: a church; a convention or association of churches (such as a district council); an elementary or secondary school which is controlled, operated or principally supported by a church or by a convention or association of churches; or a **qualified church-controlled organization**.
- Are using MBA as the exclusive service provider for their 403(b) plan.

*If this ministry has used other service providers in the past, certain information will need to be shared with MBA in order to ensure compliance with 403(b) regulations. MBA will ask for that information when required.*

*Terms used in this document and in the MBA Retirement Plan document have the same meaning.*

*If more space is needed to provide additional details of the plan information requested, please attach an addendum to this signed agreement. The addendum must be signed and dated as well as reference the appropriate section of this document.*

## **I. EMPLOYER RULES & ADOPTION AGREEMENT**

With adoption of this document, \_\_\_\_\_,  
Name of Ministry

\_\_\_\_\_  
Address of Ministry City, State, Zip Code

sets forth: 1) the rules of contribution and eligibility for participation of their employees in the 403(b) plan (Plan), 2) will use MBA as the exclusive service provider for Plan purposes, 3) adopts the provisions of the MBA Retirement Plan document and incorporates them by reference for 403(b) compliance purposes and for coordination of administration. The effective date of this agreement is \_\_\_\_\_, 20\_\_\_\_

This plan is a retirement income account under section 403(b)(9) of the Internal Revenue Code (IRC).

*You may only contribute for your employees who receive W-2 income.*

### **1. COMPENSATION**

For purposes of determining contributions to the Plan, compensation shall be [check all boxes that apply]:

[THIS SECTION PROVIDES THE DEFINITION OF COMPENSATION WHEN CALCULATING A PERCENTAGE OF DEFERRALS AND/OR EMPLOYER CONTRIBUTIONS]

- Regular pay as reported on Federal tax form W-2
- Overtime pay as reported on Federal tax form W-2
- Bonus pay as reported on Federal tax form W-2
- Minister's housing allowance (credentialed ministers only)
- Annual rental value of a ministry-provided parsonage (credential ministers only)
- Other income as included on a Federal tax Form W-2 (please list) \_\_\_\_\_

Amounts deducted and excluded from taxable income as allowed by law, such as 403(b) elective deferral, a cafeteria plan (section 125 flexible benefit plan) contribution, etc., shall be part of compensation unless otherwise noted. Check here  if a signed addendum is attached that makes changes to this statement.

**Contributions should not exceed legal limits. See maximum contribution limits on our web site at [www.AGFinancial.org](http://www.AGFinancial.org).**

### **2. HOURS OF SERVICE**

An hour of service shall be determined based on the number of hours for which an employee is paid or entitled to be paid unless otherwise noted in a signed addendum attached hereto.

Check here  if addendum is attached defining hours of service

### 3. EMPLOYEE CONTRIBUTIONS

- We do not offer employee deferral contributions (go to section 4)

[We recommend allowing employee deferrals because it is a low cost way of adding a retirement benefit]

**DEFERRALS SHOULD ONLY BE MADE PURSUANT TO A WRITTEN SALARY REDUCTION AGREEMENT SIGNED BY AN EMPLOYEE EXCEPT TO THE EXTENT THAT AN AUTOMATIC ENROLLMENT PROGRAM HAS BEEN ADOPTED (SEE SECTION 4).**

**IF AN EMPLOYEE HAS MADE A ONE-TIME IRREVOCABLE ELECTION TO HAVE COMPENSATION DEFERRED TO A 403(b) PLAN ON OR BEFORE THE EMPLOYEE FIRST BECOMING ELIGIBLE TO PARTICIPATE, OR IF COMPENSATION DEFERRALS ARE MANDATORY AS A CONDITION OF EMPLOYMENT, SUCH CONTRIBUTIONS ARE NOT CONSIDERED EMPLOYEE DEFERRALS FOR CONTRIBUTION LIMITATION PURPOSES. THESE CONTRIBUTIONS WILL BE CONSIDERED EMPLOYER CONTRIBUTIONS AND ARE SUBJECT TO THE HIGHER OVERALL LIMITS OF 403(b) CONTRIBUTIONS. THESE CONTRIBUTIONS SHOULD ALSO BE SUBMITTED TO US MARKED AS EMPLOYER CONTRIBUTIONS. THESE CONTRIBUTIONS ARE SUBJECT TO FICA TAXES.**

**EMPLOYEES' RIGHTS TO MAKE A SALARY REDUCTION CONTRIBUTION MAY NOT BE CONDITIONED ON ANY OTHER RIGHT OR BENEFIT (EXCEPT FOR AN EMPLOYER MATCHING CONTRIBUTION). EXAMPLE: YOU CANNOT REQUIRE AN EMPLOYEE TO TAKE A CERTAIN LEVEL OF HEALTH INSURANCE IN ORDER TO BE ABLE TO MAKE SALARY REDUCTIONS TO THE 403(b).**

- A. Eligibility requirements (**who** is eligible)—the following employees are eligible to participate in the Plan through deferrals and deductions from their pay:

*403(b) regulations require that employee deferrals be transferred to providers within a period no longer than is reasonable for proper plan administration. Example: Transfer elective deferrals within 15 business days following the month in which these amounts would have been paid to the participant.*

- All employees are eligible to participate. **\*Recommended Option**

OR

- Employees who meet the following service requirements can participate:

Expected to work \_\_\_\_\_ hours or more per \_\_\_\_\_.

Other (describe) \_\_\_\_\_

**(IF 3A HAS BEEN COMPLETED, SECTION 3B MUST BE COMPLETED)**

- B. Service requirements (**when** an employee is eligible to participate)—the following is required before an eligible employee listed in 3A above will be allowed to start making employee contributions:

- The first day that an employee meets eligibility requirements listed above.

OR

- Other (describe) \_\_\_\_\_

- C. Employees who qualify for employee contributions shall be able to make pre-tax deferrals to the Plan. They may also make the following after-tax contributions to the Plan if the boxes are checked:

- Designated Roth contributions. Please note:

- If a designated Roth contribution is allowed, a pre-tax deferral must be allowed.
- A designated Roth contribution has different distribution restrictions than a Roth IRA. The distribution restrictions are the same as for pre-tax deferral contributions.
- Only employee deferrals are eligible to be designated Roth contributions. Employer-paid contributions are not eligible to be designated Roth contributions.

- Traditional after-tax contributions. Please note:

- Traditional after-tax contributions made to a 403(b) plan have been taxed before the contribution is made. Earnings grow tax-free while in the Plan. Each distribution is considered a proportionate withdrawal of tax-free contributions and taxable earnings.
- There are no withdrawal restrictions on traditional after-tax contributions. The earnings portion of a distribution is taxable and a 10% early withdrawal penalty may apply on the earnings in certain circumstances.

#### 4. EMPLOYER CONTRIBUTIONS

We do not offer employer-paid contributions (go to section 5)

A. Eligibility requirements—the following employees are eligible to participate in the Plan through employer-paid contributions:

All employees are eligible to participate. **\*Recommended Option**

OR

Employees who meet the following service requirements can participate in employer contributions (check all that apply):

Employees who are age \_\_\_\_\_ or older.

Must complete \_\_\_\_\_ months of service.

Past service with other AG ministries \_\_\_\_\_ be considered.

Past service of former employees who are rehired \_\_\_\_\_ be considered.

Employees who are expected to work \_\_\_\_\_ hours per \_\_\_\_\_.

Other \_\_\_\_\_

(IF 4A HAS BEEN COMPLETED, SECTION 4B MUST BE COMPLETED)

B. The following types of employer contributions shall be made for eligible employees as defined in item 4A above (check all that apply):

Matching contributions (select one of the options):

A matching contribution of 100% of the employee's deferral contribution up to a maximum of \_\_\_\_\_% of compensation.

A matching contribution of \_\_\_\_\_% [such as 50%] of the employee's deferral contribution up to a maximum of \_\_\_\_\_% of compensation.

As determined annually by the board

Other (describe) \_\_\_\_\_

Discretionary (non-matching) employer contributions (select one of the following options):

A fixed percentage equal to \_\_\_\_\_% of the employee's compensation.

A percentage of eligible employee's compensation as determined annually by the ministry's official board.

Other (describe) \_\_\_\_\_

#### 5. OPTIONAL PROVISION: AUTOMATIC ENROLLMENT

Consult your legal advisor regarding the effect your state's wage garnishment laws may have on your ability to adopt automatic enrollment provisions. Review the benefits and responsibilities of automatic enrollment on our web site [www.AGFinancial.org](http://www.AGFinancial.org). Certain automatic enrollment policies are part of the Plan by reference.

## II. FORMER SERVICE PROVIDERS IDENTIFIED

By checking the appropriate section below, Employer identifies which vendors that it has formerly used for retirement services. **Check either Section 1 or 2 below.**

**Section 1.** Employer indicates that it has used no other vendor other than MBA for retirement services for its employees after December 31, 2004.

**Section 2.** Employer indicates that it has used those vendors identified in the following table as retirement service providers for its employees subsequent to December 31, 2004, but prior to adoption of this agreement. For each Service Feature, check the appropriate response. Attach extra sheet if needed. **The table below must be completed if you have used other vendors subsequent to December 31, 2004.**

Vendor Name	Plan Loans		Hardship Distributions	
	Yes	No	Yes	No
_____	Yes	No	Yes	No
_____	Yes	No	Yes	No
_____	Yes	No	Yes	No
_____	Yes	No	Yes	No
_____	Yes	No	Yes	No

If an employee has taken a hardship distribution, pre-tax deferrals, designated Roth deferrals, and traditional member after-tax contributions should cease for that employee for a period of six months following the distribution.

If any employee has an outstanding loan with another vendor, please communicate the loan information with MBA so that MBA can properly administer any other plan loan within IRS and Plan limitations. Such information should include the following information: Name and Social Security number of the employee, the vendor administering the loan, maturity date of the loan, current balance, and the highest outstanding balance in the last 12 months.

## III. SERVICE AGREEMENT

### 1) Employer Certifications

- a) Employer certifies that it meets all of the following criteria in order to participate as a plan sponsor in MBA's 403(b) retirement plan:
  - i) It is one of the following:
    - (1) An Assemblies of God church,
    - (2) A convention or association of churches (such as a district council) associated with the Assemblies of God
    - (3) An elementary or secondary school which is controlled, operated or principally supported by an Assemblies of God church or convention or association of Assemblies of God churches; or
    - (4) A qualified church-controlled organization as defined under IRC 3121(w)(3) that is controlled by an Assemblies of God church or convention or association of Assemblies of God churches.
  - ii) It is a 501(c)(3) organization under the Internal Revenue Code (IRC) of the United States.
  - iii) Employer shall make contributions for employees only. Employer shall not make contributions for independent contractors and other self-employed individuals.
- b) The Employer certifies that MBA shall be the exclusive service provider of 403(b) and other IRS qualified retirement plans for its employees. As such, Employer will make retirement contributions and allow transfers and exchanges from prior qualified plans exclusively to the MBA 403(b) Plan.
  - i) Employer will inform, in writing, any former vendors used for retirement service or investment providers to cease any loan and hardship distributions from their plans to employees.
  - ii) Employer will identify any vendor used for retirement plan service or investment providers that had been used prior to the execution of this Agreement.

- 2) **Common responsibilities.** The following are the common and/or joint responsibilities of MBA and Employer:
  - a) Agree to share information that is necessary for each party to carry out its responsibilities under IRC 403(b), U.S. Treasury Regulations for 403(b), any other federal or state law, and the written plan provisions.
  - b) Maintain and administer the Plan according to federal and applicable state laws.

- c) Will not rely on employee or former employee self-certifications to carry out administration and compliance of the Plan regarding employment status including eligibility to delay required minimum distributions, eligibility to participate, contribution limits, eligibility for Plan loans, qualifications for hardship distributions, eligibility for other distributions, and any other matters prohibited by 403(b) regulations.
  - i) Section 2c of this document does not preclude receiving some self-certifications from the employee. The intent of the provision of the section is that the primary reliance on certification for compliance with 403(b) regulations will be from sources other than the employee.
  - ii) Employees who are responsible for Plan administration and compliance can certify items on behalf of the employer when proper documentation is available.
- d) Implement necessary corrective action steps in relation to listed responsibilities.

**3) Employer responsibilities.** The following are Employer's responsibilities under this Agreement:

- a) Maintain a written plan that contains provisions which:
  - i) Identifies which employees or groups of employees are eligible to participate,
  - ii) Identifies when employees are eligible to participate,
  - iii) Identifies what contribution benefits are available to employees,
  - iv) Defines compensation for purposes of determining contribution benefits,
  - v) Contains any other provision of eligibility and benefits,
  - vi) Does not violate 403(b) regulations, federal and state laws, and MBA written plan provisions and policies.
- b) Follow the terms of its written plan.
- c) Adopts the provisions of MBA's written plan by reference as part of Employer's plan.
- d) Provide MBA a copy of the Employer written plan document, including any documents incorporated by reference, and provide MBA with any future amendments made to such plan document.
- e) Inform eligible employees what contribution benefits are available and information on how to enroll in the Plan.
- f) Provide eligible employees with proper forms for deferrals to the Plan if the Employer allows such contributions.
- g) Transfer contributions to MBA on behalf of employees within a period no longer than is necessary for proper Plan administration. Contributions shall be made on an MBA-provided form or a form that is acceptable to MBA.
- h) Monitor contributions so not to exceed maximum allowed contributions under IRC sections 402 and 415 including the 15-years of service catch-up provision of IRC 402(g)(7) and the alternative limit under IRC 415(c)(7).
- i) Maintain records of Plan contributions and actions taken regarding administration of the Plan.
- j) Cease pre-tax, designated Roth deferrals, and traditional after-tax contributions on behalf of employees who have taken a hardship distribution from the Plan.
- k) Provide employee enrollment information to MBA on MBA-provided forms or on forms that are acceptable to MBA.
- l) Inform MBA when an employee has had a severance of employment. Such information shall be in a manner and form that is acceptable to MBA,
- m) Communicate errors in enrollment information, contributions, eligibility of employees to participate, and any other matter to MBA as soon as administratively feasible.
- n) Assign one or more employees as an MBA contact for purposes of implementing, administering, and coordinating administration of the Plan.
- o) Inform MBA when Employer no longer qualifies to participate in the Plan as an eligible employer as defined in MBA's plan document and section 1a above.

**4) MBA Responsibilities.** The following are MBA's responsibilities under this Agreement:

- a) Maintain a denominational written plan that contains general 403(b) provisions including, but not limited to the following:
  - i) Identify maximum contribution limits that do not violate provisions of IRC 403(b) including those referred to in IRC 415 and IRC 402.
  - ii) Identify the time and form of benefit distributions that do not violate IRC 403(b).
  - iii) Authorizes MBA to designate clergy housing allowance on distributions made to ministers of the gospel within the meaning of IRC 107.
  - iv) Contains other provisions for the proper administration of the Plan that are not allocated to the Employer under this Agreement.
- b) Establish policies and procedures for the proper administration of the Plan.
- c) Provide for recordkeeping of employee 403(b) accounts in the Plan.
- d) Provide investment options for employee contribution accounts in the Plan.
- e) Accept and process employee contributions from the Employer.

- f) Monitor and process requests for distributions including hardship distributions, Plan loans, and qualified domestic relation orders (QDRO) according to MBA's Plan provisions.
- g) Report distributions for tax purposes.
- h) Assist in informing the Employer on provisions of IRC 403(b) and U.S. Treasury regulations regarding 403(b) plans via the AG Financial Web site or by other means.
- i) Assist in providing employees 403(b) educational material through the AG Financial Web site or by other means.
- j) Provide customer service to Employees regarding their accounts in the MBA 403(b) Plan. Such service shall not include service for those provisions that are controlled by the employer, e.g., eligibility, service requirements, contribution benefits, and definition of compensation for contribution purposes.

#### 5) **Miscellaneous Provisions.**

- a) **Confidentiality.** The Parties agree that each, or their authorized representatives, will maintain as confidential any information provided by the other pursuant to this Agreement, unless otherwise required by law.
- b) **Indemnification.** The Employer agrees to indemnify the MBA, its parent, subsidiaries, affiliates, its officers, directors and employees against any loss, liability or expense, including reasonable attorney's fees, incurred by them arising out of any breach, act or omission or violation of law by Employer in connection with MBA's performance of this Agreement.
- c) **No Authority to Sign for Company.** The Employer has no authority to enter into contracts or agreements on behalf of the MBA. This Agreement does not create an employment relationship, a partnership or joint venture between the parties hereto.
- d) **Accuracy of Information.** The Parties agree that each is obligated to provide only information available on its records and MBA does not guarantee the accuracy of any information that is based on certification by a participant or a previous provider.
- e) **Assignment.** The Parties agree that the Employer may authorize (in writing) a third party to provide the information described above. However, this Agreement is not assignable without the prior written consent of MBA.
- f) **Successors and Assigns.** All of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, if any, successors, and assigns.
- g) **Term.** The dates stated in this Agreement, except for the execution date, shall be deemed to be extended to conform to any later available compliance dates that may be permitted by the IRS after the date this Agreement is signed.
- h) **Headings.** Section headings are not to be considered a part of this Agreement and are not intended to be a full and accurate description of the contents hereof.
- i) **Waiver.** Waiver by one party hereto of breach of any provision of this Agreement by the other shall not operate or be construed as a continuing waiver.
- j) **Amendment or Termination.** No amendment, change or modification of this Agreement shall be valid unless in writing signed by the parties hereto. This Agreement will remain in effect until terminated at any time by either of the parties upon thirty (30) days written notice, provided, however, that no amendment or termination of this Agreement shall terminate or limit the information sharing necessary to comply with Code § 403(b) and the Regulations with respect to any Contracts existing prior to the date of such amendment or termination or affect any liability incurred by the MBA prior to the date of such amendment or termination.
- k) **Unenforceability of Provisions.** If any provision of this Agreement, or any portion thereof, is held to be invalid and unenforceable, then the remainder of this Agreement shall nevertheless remain in full force and effect.
- l) **Governing Law.** This Agreement shall be governed under the laws of the State of Missouri.

#### IV. ADOPTION AND EXECUTION

By signing below, I certify that I am a duly authorized officer or representative of the ministry named and that this ministry has adopted these rules as part of its 403(b) plan. I also certify that this ministry agrees to follow the provisions in this document and to perform the administrative functions associated with complying with the requirements of IRC section 403(b) and regulations except to the extent that those functions are allocated to MBA in its plan document and any service agreements signed by the parties.

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the day and year written below. The parties hereto agree that facsimile signatures shall be as effective as if originals.

Agreement is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

#### ASSEMBLIES OF GOD

#### MINISTERS BENEFIT ASSOCIATION:

By: \_\_\_\_\_  
Authorized MBA Officer's Signature

Name: \_\_\_\_\_

Title: \_\_\_\_\_

#### EMPLOYER:

By: \_\_\_\_\_  
Authorized Employer Officer's Signature

Name: \_\_\_\_\_

Title: \_\_\_\_\_

The MBA Officer's signature does not represent acceptance or approval of the Employer Rules and Adoption Agreement. It serves exclusively as acceptance of the Service Agreement.

Please provide contact information in case we have questions: (please print in the fields below).

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

*This information and the information contained in links are not considered legal or tax advice. AG Financial Solutions and MBA are available to give guidance and assistance to your ministry and your ministry's legal and tax professionals. Changes to these rules will require adoption of amended rules by the ministry employer. Please send a copy of the amended rules to MBA with a note to indicate the amended status.*

**WHEN COMPLETED, PLEASE SEND MBA A COPY OF THIS DOCUMENT:**

**MAIL: 3900 S OVERLAND AVE, SPRINGFIELD, MO 65807 | FAX: 417.831.7429 | EMAIL: MBA@AGFINANCIAL.ORG**