

# THE RETIREMENT SOLUTION

**A RESOURCE TO HELP YOU ADMINISTER YOUR SERVANT SOLUTIONS RETIREMENT PLAN**

*Welcome to the Retirement Solution Newsletter. Our goal with this annual employer newsletter is to bring you relevant information about issues that are important to you as a leader at your church or organization. We will also highlight best practices from ministries who partner with Servant Solutions. It is an honor to work with you to help your ministry grow and thrive!*

## CHURCH SPOTLIGHT

### FAITH CHAPEL CHURCH OF GOD

*Servant Solutions turns the spotlight on member employers to highlight how they are making a difference and how they connect with Servant Solutions. Share your story! To be featured in The Retirement Solution, submit your story via email to [jhull@servantsolutions.org](mailto:jhull@servantsolutions.org).*

It continues to be my joy to serve the Faith Chapel Church of God as lead pastor since July 1, 2011. We are an urban centered congregation with tentacles intentionally in the community to reach others with the Gospel of Jesus Christ. While interconnecting with other entities, we hope to improve the quality of daily life for individuals and families holistically beginning with Spiritual Biblical intervention.

We are the lead church for a coalition known as the Gardere Initiative and have been doing so for some 15 years, which predates my time of ministry service. In fact, our congregation has been picking up children with multiple church vans in the Gardere Community for at least 25 years and have been involved in ministering to children and youth by way of Sunday School, Children's Church, and Youth Ministry Coalitions. Prior to COVID-19, we would have at least 50 children and youth being picked up and gathering with our congregation on a given Sunday morning. We expect to see a return to those numbers as the pandemic subsides. Along with our youth and children's ministries, we enjoy the work of other intergenerational auxiliaries including Family Marriage Ministry, Singles' Ministry, Men's Fellowship, Christian Women Connection, Young Adult/College Ministries, Prayer Teams and Worship Ministries, Usher's Ministries, Home Small Groups and Ministry Auxiliary Teams Small Groups.

*continued on pg 4*



*Elder Bruce Woods, Vice Chair and  
Rev. Dr. Bart Riggins, Senior Pastor*

- Faith Chapel Church of God, Baton Rouge, LA
- Average attendance: 150 plus  
Hybrid-In Person/Virtual
- Two Full-time staff: Lead Pastor and Administrator Coordinator; Four Part-time Ministers/Ordained Associates
- History: Founded in 1948, Same location since 1948, located on a main thoroughfare of Greater Baton Rouge area, Essen-Staring Lane
- Bartholomew M. Riggins DMIN, Lead Pastor-Serving 10 ½ years
- Faith Chapel has been partnering with Servant Solutions 10 ½ years
- Treasurer/ Vice Chair of the board are lay leaders, not on staff
- Mission Statement: *Extending the Invitation to Know Jesus Christ to Baton Rouge and the World.*

# BEST PRACTICES: CYBER SECURITY

## SERVANT SOLUTIONS' ONGOING WORK TO PROTECT IMPORTANT PARTICIPANT INFORMATION

The personal information entrusted to Servant Solutions by our members is private, and we take seriously the task of taking every precaution to protect that information. We want you, as a church employer, to have confidence that we continually pursue best practices in our cyber security efforts.

Recently Servant Solutions undertook a risk management workshop and assessment conducted by a cyber-security consulting firm to determine what processes and policies would assist us in protecting the information of all members to the highest degree. This was a very productive exercise and resulted in an application made to the State of Indiana for a cyber-security grant program that is being provided by the Federal Division of Homeland Security.

We are pleased to report that Servant Solutions has been approved for this grant program, which provides funding to assist with systems, policies, and procedures aimed at protecting data and defending against cyber threats. The grant provides funding for a three-year cycle.

Additionally, Servant Solutions works closely with its recordkeeping partner, Principal. Annual due diligence is conducted through review by the Servant Solutions Audit Committee of Principal's security processes.

If you have questions or if we can provide more information to you, please do not hesitate to contact our Chief Financial and Operating Officer, Erin Wagoner.

## 2022 CONTRIBUTION LIMITS

In the case of employees and employers, the combined annual contribution limits for tax year 2022 are **THE LESSER OF:**



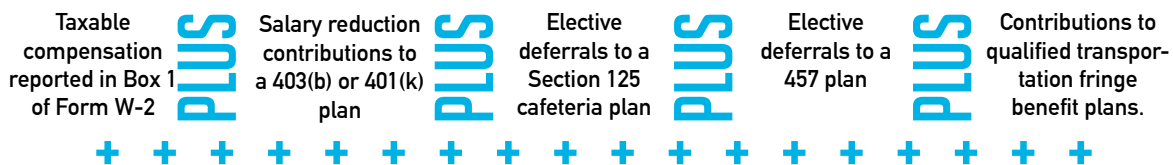
**\$61,000**

**OR**

**100% of the employee's "includible compensation"**

{ which means the housing allowance paid to a minister is NOT included, per IRS Code 415(c). }

It is important to note that "includible compensation" is defined by the IRS as follows:



If a person has \$24,000 reported in Box 1 on Form W-2, has contributed \$2,400 to a 403(b) plan through salary reduction, and has deferred \$2,600 to a flexible spending account under a Section 125 cafeteria plan, his/her includible compensation will total \$29,000. Therefore, his/her combined annual contribution is capped at \$29,000 since it is less than \$61,000.

## ANNUAL CONTRIBUTIONS CAN COME FROM FOUR SOURCES:

**1**

CHURCH/EMPLOYER CONTRIBUTIONS (PLAN CLASSIFICATION TYPE "D")

**2**

PARTICIPANT BEFORE-TAX CONTRIBUTIONS (PLAN CLASSIFICATION TYPE "A")  
limited to \$20,500 for 2022

**3**

PARTICIPANT ROTH 403(B) CONTRIBUTIONS (PLAN CLASSIFICATION TYPE "H")  
limited to \$20,500 for 2022

**4**

PARTICIPANT AFTER-TAX CONTRIBUTIONS (PLAN CLASSIFICATION TYPE "G")

FOR ADDITIONAL INFORMATION ON THESE CLASSIFICATIONS, VISIT [SERVANTSOLUTIONS.ORG/2022-CONTRIBUTION-LIMITS/](https://servantsolutions.org/2022-contribution-limits/)

# EMPLOYEE CLASSIFICATION: W-2 VERSUS 1099

## SOME KEY DIFFERENTIATORS

Form 1099 and Form W-2 are the two tax forms employers use to report wages and taxes withheld for different workers. 1099 workers are also known as self-employed workers or independent contractors. These workers receive a Form 1099-NEC to report their income on their tax returns. W-2 workers are also known as employees. Your ministry employs these workers directly, and they receive regular pay and employee benefits. These workers receive a Form W-2 to report their annual compensation on their tax returns.

It's important to know the difference between who should receive a Form W-2 and who should receive a Form 1099 for several important reasons:

1. Misclassifying an employee as an independent contractor (1099) can result in financial penalties from the IRS.
2. Employee classification impacts how you and your workers are taxed. You are required to withhold income taxes and pay payroll taxes on the wages you pay to W-2 employees. On the other hand, you do not withhold or pay taxes on the payments you make to 1099 contractors.
3. Employee classification determines how much control you have over a worker's schedule, payment, and other aspects of their job. Independent contractors define when, how, and where they work. Employees work according to your schedule and policies.

## WHO SHOULD BE CATEGORIZED AS A 1099 WORKER?

A 1099 worker is a self-employed worker, an independent contractor, or a freelance worker. Generally, ministries hire these workers to complete a

specific task or work on a specific project as defined in a written contract. A 1099 worker defines when, how, and where they work. They decide what tools and methods they use to complete the work. They can even choose to hire their own workers to help them complete the contract.

A 1099 worker may serve multiple clients at one time. These workers are considered "self-employed," so they pay their own taxes and provide their own benefits. You do not need to withhold income taxes from their pay, file payroll taxes on their behalf, or offer the same benefits you offer W-2 employees.

## WHO SHOULD BE CATEGORIZED AS A W-2 WORKER?

A W-2 worker is an employee of your ministry. These employees can be full-time or part-time. Employees work according to your schedule and the ministry's policies. It is your responsibility to provide employees with the resources and supplies they need to complete their job. They participate in employee benefit programs like health insurance, paid time off, and overtime pay. They are guaranteed at least the minimum wage. A W-2 employee is the default classification for any worker who you cannot classify as a 1099 contractor.

For more in-depth information on this topic go to [www.servantsolutions.org](http://www.servantsolutions.org), scroll to the bottom of the home page, and select Employer's Toolbox. There you will find the Church and Non-Profit Tax and Financial Guide written by Michael Martin, President of the Evangelical Council for Financial Accountability. Review pages 71 through 93 to gain a deeper understanding on who is a W-2 employee versus who is a 1099 independent contractor.

## SETTING UP ONLINE REMITTANCE IS AS EASY AS 1-2-3

1.

**Complete authorization agreement\* and fax it to us along with a check copy.**

\*found at [contributions.servantsolutions.org](http://contributions.servantsolutions.org)

2.

**Once approved, login and input the contribution amount in the appropriate contribution type column for each participant.**

3.

**Servant Solutions will review the online submission and process an ACH debit to the authorized checking account.**

Recurring contributions may be established if amounts are expected to remain constant. Simply log in, click the "recurring contribution" link, and complete the requested information.

Servant Solutions  
P O Box 2559  
Anderson, IN 46018

**ADDRESS SERVICE REQUESTED**

## CHURCH SPOTLIGHT, (CONTINUED)

Currently, we are building a new sanctuary ministry tool designed to double our capacity for ministry and give us a structure that will be more conducive to reach this 21st century generation. We put the shovel to the ground in the Fall of 2019 and had no conceivable idea that we would be building during a pandemic. But our God is faithful, and we are grateful that we got started when we did as we are now on the home stretch toward completion. We look forward to a full dedication and entry for worship and ministry service in 2022.

At the Faith Chapel Church of God, we understand that we exist for God's Kingdom purpose, which is to share and disciple others in the Gospel of Jesus Christ through God's transforming grace in the Greater Baton Rouge Area and beyond. ***We seek to lift Jesus, share Jesus, and live Jesus while loving others with the love of the Lord – both believers and non-believers.***



*Ground breaking ceremony in 2019*



*Building project progress*



*God is at work for His glory!*



(800) 844-8983



info@servantsolutions.org



servantsolutions.org