

# SERVANT SOLUTIONS NEWSLETTER JANUARY 2024



**Servant Solutions**  
YOUR RETIREMENT & FINANCIAL PLANNING PARTNER



## QUESTIONS, ANYONE?

**REV. DAVID BOOTS**

**DIRECTOR OF MEMBER RELATIONS, WEST COAST**

With this article, I'd like to address some questions we receive from our members.

***When I retire, is it possible to receive my payments from Servant Solutions Tax-free?***

Yes! Many credentialed pastors/ministers do not realize that, even in retirement they can also receive their distributions as Housing Allowance, per the same IRS Housing Allowance guidelines. Find more about Housing Allowance on our website: [servantsolutions.org/Learning Center/Housing Allowance](http://servantsolutions.org/Learning Center/Housing Allowance).

***I transferred to my current church from another denomination (where some of my retirement savings have accumulated) and am now a member of Servant Solutions. Is there a way to have all of my retirement funds combined into my Servant Solutions Account?***

Yes. By initiating a Rollover from your previous retirement account to Servant Solutions, you can have all of your funds in one place and see your full retirement financial picture in your Servant Solutions/Principal® web portal. You will find a Rollover Request form on our website, under Forms/Member Forms.

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## A WORD FROM OUR PRESIDENT

### REFLECTING ON 75 YEARS

As we embark on our 75th year as a ministry and lean into our mission of “Improving Financial Security for Servants of the Church”, I am filled with

gratitude and humility to serve as the president of Servant Solutions. The road behind us has been one of tremendous growth, and I am excited to share that what lies ahead promises to be even greater.

Scripture reminds us in Proverbs 16:9 (NIV): *“In their hearts humans plan their course, but the Lord establishes their steps.”* Reflecting on our journey, I see the divine guidance that has led us to this significant milestone. The foundation we’ve built over the years is solid, a testament to the unwavering commitment of our past leaders, staff, and the support of our members.

As we stand at the threshold of our best years ever, I am immensely grateful for the remarkable staff team we have in place today. Their dedication and passion for our mission are truly awe-inspiring. Together, we are rising to the occasion in ways that surpass even my highest expectations. Each member of our organization plays a vital role, contributing to the growth and success we celebrate today. I am honored to lead alongside this incredible team.

Our members are why we exist. It is a privilege to serve them, experience their friendship, and support them in their successes and struggles. Although we are technically a financial entity that operates a 403b(9) Church Retirement Plan, we are also a ministry that cares and advocates for servants of the church all over the world.

In these 75 years, the importance of integrity in leadership has become clearer than ever. 2 Corinthians 8:21 states: *“For we are taking pains to do what is right, not only in the eyes of the Lord, but also in the eyes of man.”* I am grateful to represent leaders throughout the Church who embody this integrity. It is a privilege to stand alongside those who prioritize honesty, accountability, and a commitment to serving with wholehearted dedication.

As we celebrate this milestone, let us remain rooted in gratitude for the past, embrace the opportunities of the present, and eagerly anticipate the future. I am confident that, guided by our shared values and faith, we will continue to Serve Those Who Serve by providing a retirement plan that propels the Kingdom forward in ways we cannot imagine.

Thank you for your trust, your partnership, and your commitment to the vision that has guided us for 75 remarkable years.

## Have you established ONLINE ACCESS?

With online account access, you can

- access your account information
- view your statement
- make changes to your investment position
- utilize excellent planning tools

Start by visiting the Servant Solutions website at [servantsolutions.org](http://servantsolutions.org). In the top menu bar of the home page, select “personal account login”. This takes you to a secure log in page for our recordkeeper, Principal®. Have your latest printed statement handy, and bear in mind, that for this situation, your employer is **Servant Solutions**.

# QUESTIONS,

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***I want to invest my retirement savings in Life Funds. Am I required to invest them based on the year (decade) I was born?***

Also known in the investment industry as Target Date Funds, there is no obligation to choose a specific fund. The age brackets are simply for your convenience and reflect the best risk/reward balance at any given time in your life. Some who have a higher risk tolerance invest in a fund that is perhaps one to two increments or age brackets below (“younger than”) their actual age bracket. The same is true (going in the opposite direction) for those who want more peace of mind in a more turbulent market.

***Is there an option to pay my Self-Employment Tax without making quarterly payments?***

For some, quarterly payments, required by the IRS for self-employed individuals, can be a hassle, both regarding cash flow and for remembering the due dates. There is an option for any W-2 employee (which is how all churches

should handle their pastors’ compensation): you can request “additional withholding” from your paycheck by completing an IRS Form W4.

***I’m aware that I can access my retirement account online, but I prefer to receive my statements and newsletters in the mail. Am I missing anything by doing that?***

Although things “in hand” are easier to read and retrieve for some folks, we very strongly suggest every Servant Solutions account holder to “set up” your online access to your account. Even if you rarely use online access, setting up your account will give an added layer of protection from cyber-thieves attempting to access your account. *(See how on page 2)*



David Boots

## 2024 CONTRIBUTION LIMITS

The combined annual contribution limit for employer and employee retirement plan contributions for tax year 2024 is **THE LESSER OF**



**\$69,000**

**OR**

**100% of the employee’s “includible compensation”**

**{ the housing allowance paid to a minister is NOT included, per the IRS }**

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

Taxable compensation reported in Box 1 of Form W-2

**PLUS**

Salary reduction contributions to a 403(b) or 401(k) plan

**PLUS**

Elective deferrals to a Section 125 cafeteria plan

**PLUS**

Elective deferrals to a 457(b) plan

**PLUS**

Contributions to a qualified transportation fringe benefit plan

+ +

A pastor receives \$30,000 in wages per year and claims housing allowance of \$10,000. The W-2 shows \$20,000 in Box 1 as regular wages and \$10,000 in Box 14 as housing allowance. His or her combined annual contribution would be capped at \$20,000 since that is the amount of includible compensation received.

## ANNUAL CONTRIBUTIONS CAN COME FROM FOUR SOURCES:

**1**

CHURCH/EMPLOYER CONTRIBUTIONS (PLAN CLASSIFICATION TYPE “D”)

**2**

PARTICIPANT BEFORE-TAX CONTRIBUTIONS (PLAN CLASSIFICATION TYPE “A”)

**3**

PARTICIPANT ROTH CONTRIBUTIONS (PLAN CLASSIFICATION TYPE “H”)

**4**

PARTICIPANT AFTER-TAX CONTRIBUTIONS (PLAN CLASSIFICATION TYPE “G”)

Each of these types is limited to \$23,000 for 2024 either individually or combined.

FOR ADDITIONAL INFORMATION ON THESE CLASSIFICATIONS, VISIT [SERVANTSOLUTIONS.ORG/2024-CONTRIBUTION-LIMITS/](https://servantsolutions.org/2024-contribution-limits/)



Dr. Jerry Fox, CFP®

# ARE YOUR FINANCIAL PLANS GOAL-FOCUSED?

by Dr. Jerry Fox, CFP®, Director of Financial Planning

***“When you aim at nothing, you’ll always hit your target: nothing.”***

Those words came from my dad as I received a Daisy BB Gun for Christmas many years ago, and they still ring true in so many areas of my life. Firing aimlessly—whether with BBs from a gun or with dollars from my wallet—may be fun for a moment, but it produces nothing of lasting value.

At Servant Solutions we provide a variety of financial tools and personal planning services specially designed to help you focus your aim to hit your financial targets. And this financial planning help is FREE to all our members.

Our MoneyGuide Pro® financial planning system will help you develop your own personal, goal-based plan. Popular budget-driven planning tools often bury you in the details of monthly cash flows, those unpredictable streams of both income and expenses. That approach can be disrupted by a sudden illness, a job change, or an unexpected repair bill. And once the cash flows veer from your budget, it’s easy to abandon the plan. That can leave you even further from reaching your most important goals.

We instead take a goal-based approach to help you develop your financial plans. We call it the Financial

Roadmap. Like any good roadmap, it helps you target your destination and the best routes to get there. Our planning process helps you answer the two most important questions: How much are you regularly saving? And, what goals are most important to you?

Each member’s goals and resources are unique, of course. But there are some common principles which all good plans and roadmaps share.

For example, we’ve found that members who begin by honoring the Lord with the “first fruits” of His blessings and next prioritize the necessary contributions towards their top goals—such as retirement—will then also manage other cash flows well. They put the first things first and as a result develop the money attitudes and habits the Lord says He will bless. Read Matthew 6:24-34 as a reminder of this teaching from Jesus.

We send our members a birthday greeting on their 55th birthday. It includes an invitation to schedule a personal financial planning review with our financial planners. Why 55? That’s the start of “crunch time” to prepare for retirement. Not turning 55 this year? No problem. It’s never too early—nor is it ever too late—to start working on your own goal-based plan.

Please contact us now! Email us at [Roadmap@servantsolutions.org](mailto:Roadmap@servantsolutions.org) or call (800) 844-6319.



## ANNUAL NOTICE TO PARTICIPANTS

The National Securities Markets Improvement Act (the “Act”) signed into law on October 11, 1996, exempts church plans from federal and state securities laws, except for anti-fraud provisions. In order to qualify for the exemption, church plans must satisfy eligibility requirements under Code Sec. 414(e) and the assets of church plans must be used exclusively for the benefit of plan participants and beneficiaries. Church plans continue to be subject to the Internal Revenue Code and its regulations regarding eligibility, governance, and operations of such plans. The following notice is provided in accordance with the Act:

The Plan or any company or account maintained to manage or hold assets of the Plan and interests in such Plan, companies, or accounts (including any funds maintained by Servant Solutions) are not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code, or State securities laws. Therefore, plan participants and beneficiaries will not be afforded the protections of those provisions.