

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.

CHURCH SPOTLIGHT

ARLINGTON 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 highlighted in The Retirement Solution, submit your story via email to jhull@servantsolutions.org.

Arlington Church of God (formerly Robert Street) has historically been a church that played (and continues to play) a significant role in the life of the Church of God. Throughout the years, this fellowship has poured into numerous leaders and pastors who have received their nurturing locally but gone on to serve nationally. Our church has been blessed to be able to continue the development of leaders, both current and future, enabling them to serve the wider body to the Glory of God.

We are so grateful for the blessing of being able to increase our level of support to local, state, and national missions and ministries of the Church of God, each year at a greater level than the year previous. Despite the national trends on attendance variation, our tithes and offerings have remained strong, allowing us to continue living our Faith Out Loud. At Arlington Church of God, our mission aligns with the great commission, as we strive to win lost souls, make mature disciples, and take the love of Jesus Christ through service to the entire world. The vision for the church is, "As Jesus gave His life for us, we give our lives for others in our community and world."

The Rev. Dr. Diana Swoope was recently featured in the Cleveland News for her strength and faith in the midst of a decade long battle with cancer. www.cleveland.com/news/2020/03/looking-for-the-little-miracle-in-the-middle-of-cancer-pain-and-a-pandemic-faith-you.html



Arlington Church of God



Ron Fowler II
Executive Pastor



Barbara Robinson
Finance Manager

- Arlington Church of God, Akron, OH (Current Pastor. Rev. Dr. Diana L. Swoope, Pastor Laureate Rev. Dr. Ronald J. Fowler Sr.)
- Average weekly attendance is between 550 - 600
- Seven full-time pastors and sixteen part-time staff
- History: Founded in 1917 as Robert Street Church of God. Changed name and location (2 blocks away) "Arlington Church of God" 1980
- Arlington has partnered with Servant Solutions since the 1970's
- Ron Fowler II serves as the Exec. Pastor (since 2015); Barbara Robinson serves as the Finance Manager



RETIREMENT CONTRIBUTIONS AND LESSONS LEARNED FROM THE 2008 FINANCIAL CRISIS

by Jim O'Bold, President

HISTORY

The financial crisis of 2008 began with a decline in real estate values accompanied with rising interest rates. As a result, the value of residential properties and mortgages issued declined, setting off a chain reaction all around the world that resulted in a near-collapse of our financial system. We are sure you remember those days well!

In survival mode, ministries had to adjust their budgets. In many cases, one of the initial categories to be reduced were contributions to retirement plan accounts by both the employee and employer. Why was this so? Because it did not have an immediate impact on the employee, and it freed up necessary cash flow for the employee as well as the employer. This was understandable. We found that pastors were especially sacrificial in 2008, freely volunteering to take a personal hit so their churches could have enough budget to cover other, more pressing priorities. Their sacrifice was noble, but what were the true costs of these decisions? After a sobering analysis, the long-term impacts were devastating:

- *Ongoing contributions could have been used to “buy low” during the down market at bargain prices, which would have cushioned the blow*
- *The markets rose over 400% in the 10-year span after 2008*
- *Some ministries failed to “restart” their contributions after the recovery began and missed out on historic market gains*
- *Many ministry workers were already under-saved for retirement, thus missing out on the above compounded this reality*
- *We still see the effects now at Servant Solutions as we try to help recent retirees recover from the impact of these past decisions*

THE COVID-19 REALITY NOW

Here we are in 2020 facing a similar financial crisis for churches, universities, and other ministry organizations brought about by COVID-19. Employees may decide to decrease or stop retirement plan contributions because of financial hardships, employers may decide to decrease their own contributions or suspend employer matches, and employees may choose to take hardship withdrawals from their retirement accounts. These steps may meet current needs, yet they create new challenges for future retirement readiness.

YOUR INPUT IS CRUCIAL

We understand the inevitable decisions regarding budget impacts and adjusting retirement contributions as needed. However, it is important to think of these measures as short term, not long term. Then, as soon as feasible, begin contributions again. We encourage you to remember the valuable lessons history taught us from the financial meltdown of 2008. Your voice and input are crucial as you advocate for the financial health of those you serve.

SERVANT SOLUTIONS IS HERE TO HELP

We have dedicated staff that understand what you experience as a ministry. Many of us are treasurers for our own churches! We have tools and expertise to help you through these trying times. Also, we provide free financial education/coaching for all of our members. If you have employees that need financial guidance, we have Certified Financial Planners who want to help. Our mission is “Serving Those Who Serve” while “Improving Financial Security for Servants of the Church”. How can we serve you?

COVID-19 RESOURCES:

We have collected links to some excellent COVID-19 Resources on our website. To view, go to servantsolutions.org/times-of-uncertainty. We're here for you during this season. Contact us if we can pray with you or be of service in some way.

Capin Crouse Accounting Firm: COVID-19 Resources

The Evangelical Council for Financial Accountability (ECFA): COVID-19 Resources

Center for Disease Control (CDC): FAQ for Faith-Based Organizations

Brotherhood Mutual: COVID-19 Resources

Ronald Blue Trust: Unemployment Benefits Under the CARES Act

EMPLOYER CHECKLIST

ARE YOU UP TO DATE?

Servant Solutions assumes many of the administrative and compliance responsibilities for maintaining its 403(b)(9) church retirement plan. However, participating organizations do have some administrative responsibilities. This checklist was designed to help ensure your organization is in compliance:

- ___ Save or print a copy of the current **Servant Solutions Retirement Plan (SSRP)** Document last amended January 1, 2019. It can be found on our website: <https://www.servantsolutions.org/plan-documents>.
- ___ Complete an **Eligibility and Participation Schedule** (on our website under FORMS). This document is a supplement to the Plan Document, and it details exactly how your organization is choosing to participate in the SSRP. Will your organization offer matching contributions or fixed contributions to its employees? This form is maintained by your organization and approved by your governing board; Servant Solutions does NOT need a copy of the schedule.

Before remitting an employee's contributions you will need to:

- ___ Make sure that the employee's **Membership Application** and **Beneficiary Form** have been completed (on our website under FORMS). Send these forms with the first contribution if not previously submitted.
- ___ Confirm a **Salary Reduction Agreement** has been completed by the employee if desired (on our website under FORMS). This agreement gives you permission to withhold and remit Participant Before-Tax Contributions from the employee's paycheck to the SSRP. This form is maintained by your organization; Servant Solutions does NOT need a copy of the agreement. Employees can start, adjust, or stop contributions at any time by simply completing a new Salary Reduction Agreement.
- ___ Remit contributions to the SSRP on a timely basis. The SSRP Document states that contributions will be submitted to Servant Solutions within 15 business days following the end of the month in which the amount would otherwise have been paid to the employee.
- ___ If your organization is not a church (i.e. university, college, non-profit organization), you have additional 403(b) requirements. For example, you must comply with the Universal Availability rules. You also have to comply with annual plan testing and reporting requirements.
- ___ If your organization offers multiple 403(b) plans and/or vendors, you are responsible for complying with the IRS 403(b) regulations. By offering more than one 403(b) plan, your responsibilities increase significantly. We strongly recommend that you consult with an attorney with church plan experience to ensure that you are meeting your fiduciary responsibilities and are in compliance with IRS regulations.

Please let us know if you have any questions. Our Operations Team (info@servantsolutions.org or 800-844-8983) is standing by and ready to help!

IMPORTANT FORM 1099-MISC CHANGES FOR 2020



Recently the IRS issued new guidance for Form 1099-MISC (*most commonly used by businesses to report nonemployee compensation*). It is now two forms: a redesigned Form 1099-MISC and a new Form 1099-NEC. NEC stands for "Nonemployee Compensation." This new form must be completed if you paid at least \$600 during the year for services performed by someone who is not your employee.

Beginning with tax year 2020, you will use Form 1099-NEC to report nonemployee compensation. To take a closer look at these important changes, go to the IRS website via this helpful link: <https://www.irs.gov/instructions/i1099mnc>

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Anderson, IN 46018

ADDRESS SERVICE REQUESTED



NEW CONTRIBUTION PROCESSING SCHEDULE

UPLOADS ARE NOW OCCURRING TWICE EACH WEEK

by Judi Hall, Senior Operations and Service Manager

Servant Solutions previously maintained a weekly batch processing system for contributions. All contributions received in a week's time were uploaded to Principal for processing the following week. Because check deposits are clearing our bank faster and we have an ongoing desire to serve our members well, contributions are now being uploaded **twice a week** (effective 1/1/20). This change will allow contributions to post to your employees' accounts with Principal sooner.

The following contributions will be posted to members' accounts on the following Friday:

- *Online contributions submitted and received between 3:30 p.m. EST Friday and 3:30 p.m. EST Tuesday*
- *Mailed contributions received Monday and Tuesday*

The following contributions will be posted to members' accounts on the following Wednesday:

- *Online contributions submitted and received between 3:30 p.m. EST Tuesday and 3:30 p.m. EST Friday*
- *Mailed contributions received Wednesday, Thursday, and Friday*

Please be mindful of these times as you submit contributions online, especially if you are in a different time zone. If a submission arrives at 3:45 on Friday afternoon, it will post to the affected members' accounts two days later than if it was received 15 minutes earlier.

If you have any questions regarding this change, please contact us at 800-844-8983 or info@servantsolutions.org.