



# GUIDING YOU THROUGH THE YMCA RETIREMENT FUND



From Hire to Retire...



# 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 Ys throughout the United States.

## **OUR MISSION**

The mission of the YMCA Retirement Fund is to empower YMCA employees to achieve economic security, resulting in loyalty to the YMCA Movement.

## **HOW TO CONTACT US**

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

Hours: 8:45am–6:00pm Eastern Time

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

Email: [info@ymcaret.org](mailto:info@ymcaret.org)

Website: [www.yretirement.org](http://www.yretirement.org)

Live Chat: 8:45am–6:00pm Eastern Time

FaceBook: [www.facebook.com/ymcarf](http://www.facebook.com/ymcarf)

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**WELCOME TO  
THE YMCA  
RETIREMENT  
FUND**

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

# GETTING TO KNOW YOUR RETIREMENT FUND



## GUIDING YOU FROM HIRE TO RETIRE

The YMCA Retirement Fund is your partner in saving and planning for retirement. In collaboration with you and your Y, we can help you set retirement goals and take the steps needed to achieve them. Don't hesitate to contact us to discuss your account, or any questions you may have.

## ONE FUND, TWO PLANS

As a Y employee, you are given a special opportunity to save for your future. These two Plans enable you to build your retirement savings.

### 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).

### The Savings Plan

The Savings Plan is a 403(b) church retirement income account plan, available to all employees of participating Ys (see page 4).

### When can I start saving for retirement?

As early as your first day of employment, you can begin to save for retirement in a tax-deferred 403(b) Smart Account. You can also roll over money from qualified retirement 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 years do not have to be consecutive. You must also be at least 21 years of age.

### Vesting in the Retirement Plan and Savings Plan

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 your salary. 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 by the Fund's highly qualified and seasoned investment staff, 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 semi-annually the interest rate that will be credited to your accounts. Go to [www.yretirement.org/investments](http://www.yretirement.org/investments) for more information.

## **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**

As a participant in the Fund, you have access to lifetime retirement income in the form of an annuity, so you do not have to worry about increasing life expectancy. Due to our church plan status, we can offer annuities directly to you, eliminating the fees associated with buying one on your own.

# TAKING CHARGE OF YOUR RETIREMENT SAVINGS



## GUIDING YOU FROM HIRE TO RETIRE

Saving is made easy at the Fund because there is no minimum required contribution (dollar, percentage, or lump sum amount), and you can start, stop or change your contributions at any time. Plus, interest earned is compounded daily (see chart on page 5).

Go to [www.yretirement.org](http://www.yretirement.org) to use the Contribution Limits Calculator to see how much you can save, and to download the 403(b) Smart Account form to get started.

## 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 themselves in a lower tax bracket when they retire.

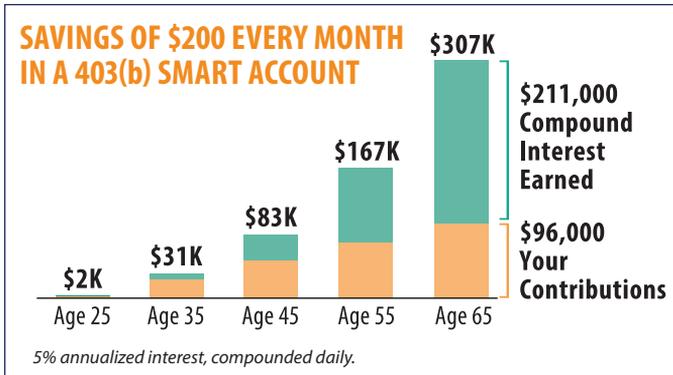
### 403(b) SMART ACCOUNT TAX BENEFITS

Saving Tax-Deferred	\$0 Saved	\$75 Saved	
Your Taxable Y Income	\$1,500	\$1,500	
403(b) Smart Account	\$0	-\$75	
Taxes Withheld	-\$306.36	-\$295.11	
<b>Your Take Home Pay</b>	<b>\$1,193.64</b>	<b>\$1,129.89</b>	<b>← You saved \$75, but your pay is only reduced by \$63.75</b>

*Based on Federal Filing Status of "single" with zero federal allowances and no state income tax. 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 IRAs. The *Rollover Authorization* form is available at [www.yretirement.org](http://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. Loans are not available from the Retirement Plan and can only be taken while you work for a Y.



## STEPS TO REACH YOUR RETIREMENT GOALS

1. Create an online account by going to the YMCA Retirement Fund's website at [www.yretirement.org](http://www.yretirement.org)

2. Use the Retirement Goal Calculator, where you can estimate your future monthly annuity payment.

3. Enter the amount you would desire 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



## GUIDING YOU FROM HIRE TO RETIRE

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 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 years 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 requirements are met.

### Retirement Plan Contributions

Contributions to the Retirement Plan are based on your salary. Your Y chooses a total contribution rate of 12%, 11%, 10%, 9%, or 8%, and whether it requires you to make an after-tax contribution of up to 5% of your salary.

### 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 pay 7% and requires you to pay 5%, it will contribute \$105 to your YMCA Account, and \$75 will be deducted from your paycheck and contributed to your Personal Account.



**Contribution Rate = 12%, Your Paycheck = \$1,500**

	<b>Y Pays</b>	<b>Your Y and You Pay</b>
YMCA Account (paid by Y)	\$180	\$105
Personal Account (paid by you)	\$0	\$75
<b>Total Contribution Each Paycheck</b>	<b>\$180</b>	<b>\$180</b>

## ADDITIONAL BENEFITS

### Pre-Retirement Death Benefits

If you are enrolled in the Retirement Plan and die while you are employed, 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).

### Disability Retirement

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

- Contributions must have been made to your YMCA Account every month for at least five years;
- You must have become disabled while you were employed at a participating Y;
- You must not have withdrawn your Personal Account since leaving Y employment;
- You must apply for disability benefits within six months after terminating your Y employment;
- You must be approved for this benefit by the Fund's disability claims administrator.

## CONTRIBUTIONS

If you are required to make contributions to your Personal Account, they are made on an after-tax basis.

All contributions made by your Y, plus all interest earned, are taxed when you take a withdrawal or begin receiving an annuity.

# WITHDRAWING YOUR MONEY



## GUIDING YOU FROM HIRE TO RETIRE

You might think you will need income in retirement that is equivalent to your salary just 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
- Your employer stops paying for health insurance
- Health insurance costs may rise

## 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 are at least age 55 and have more than \$5,000 in either the Retirement or Savings Plan, you can start an annuity.

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

	Your Age	Your Balance
<ul style="list-style-type: none"> <li>• <b>YMCA Account</b></li> <li>• <b>YMCA Account (Legacy)</b></li> </ul>	55 or older	The sum of both accounts is \$50,000 or less

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

	Your Age	Your Balance
<ul style="list-style-type: none"> <li>• <b>YMCA Account</b></li> </ul>	Under 55	\$5,000 or less when you request the withdrawal
	55 or Older	\$50,000 or less when you request the withdrawal
<ul style="list-style-type: none"> <li>• <b>YMCA Account (Legacy)</b></li> </ul>	Any Age	\$25,000 or less at the time you terminated Y employment
<ul style="list-style-type: none"> <li>• <b>Personal Account</b></li> <li>• <b>After-Tax Account</b></li> <li>• <b>403(b) Smart Account</b></li> <li>• <b>Rollover Account</b></li> </ul>	Any Age	Any balance

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 be able to leave your money in the other Plan to continue to earn interest. However, neither you nor the Y can make further contributions.

You must begin receiving your benefits by April 1 of the year following the year you reach age 70½ or leave Y employment, whichever is later.

### **Spousal Consent**

Married participants with a total of \$5,000 or more 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 403(b) Smart Account.

If you are under age 59½, you may withdraw from your 403(b) Smart Account only if you have an IRS-qualified financial hardship. The YMCA Retirement Fund requires proof of your hardship, and you will not be able to make contributions to your 403(b) Smart Account for six months. Before taking a hardship withdrawal, you must take all available withdrawals and non-taxable loans from plans maintained by your Y. This includes taking a loan from the Savings Plan. 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 an additional 10% penalty at the time you file year-end income taxes.

# WHEN YOU'RE READY TO RETIRE



## GUIDING YOU FROM HIRE 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 money in the other Plan to continue to earn interest.

To start your annuity, contact us at 800-RET-YMCA or email [info@ymccaret.org](mailto:info@ymccaret.org) no earlier than 90 days prior to your retirement date.

## STEPS TO CHOOSING YOUR ANNUITY

### 1 Decide what type of annuity you'd like to receive:

- 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 survivor.

### 2 Select an annuity option based on your decision in Step 1:

- *Single Life Annuity Maximum*—provides the greatest amount of monthly income 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 survivor.

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

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

### **3 Decide whether you want to add Social Security Leveling:**

- This feature allows you to receive more income before age 62; however, payments will decrease after 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 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 at the time of retirement for use as a death benefit. The amount of the Retired Death Benefit is equal to the first year's maximum annuity 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.

## **PAYMENTS TO BENEFICIARIES**

If you die after you start an annuity, the Fund will pay your beneficiary your Retired Death Benefit and any payments based on the annuity option you selected.



## **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. The age of your survivor is also calculated for joint and survivor annuities only.

To obtain an annuity estimate, log in to [www.yretirement.org](http://www.yretirement.org).

# STAYING INVOLVED



## GUIDING YOU FROM HIRE TO RETIRE

Log in to the Fund's website at [www.yretirement.org](http://www.yretirement.org) to:

- Keep us updated if your address, phone and/or email address changes
- Designate a person, trust (specific guidelines apply), organization, or estate to receive benefits after death
- Try out the annuity and goal-setting calculators to estimate your future retirement income
- 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 all the tools and resources provided by the Fund.

### Review Your Benefits Statement

While working for the Y, you will receive a statement of your accounts showing how much your account grew over the quarter. If you leave the Y and keep your money at the Fund, you will receive a statement every July.

### Determine Whether Your Retirement Savings are on Track

By Age	Experts Recommend You Have the Following Saved
30	0.59 X YOUR CURRENT ANNUAL SALARY
35	1.29 X YOUR CURRENT ANNUAL SALARY
40	2.11 X YOUR CURRENT ANNUAL SALARY
45	3.05 X YOUR CURRENT ANNUAL SALARY
50	4.15 X YOUR CURRENT ANNUAL SALARY
55	5.43 X YOUR CURRENT ANNUAL SALARY
60	6.91 X YOUR CURRENT ANNUAL SALARY
65	8.64 X YOUR CURRENT ANNUAL SALARY

### Social Security

Learn more about your Social Security benefits by visiting the Social Security website at [www.ssa.gov](http://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 plans of the YMCA Retirement Fund, read the Summary Plan Description and Plan Documents at [www.yretirement.org](http://www.yretirement.org).**

**NOVEMBER 2016**

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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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