

Invested in your future

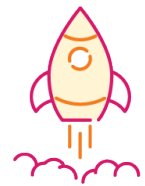


**WELCOME**

# What to Expect When You Retire with RPB

June 2024

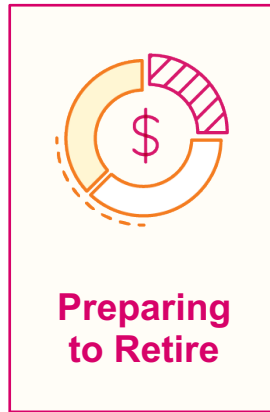
# Where you are in your retirement journey



**Starting  
Out**



**Building a  
Nest Egg**



**Enjoying  
Retirement**



**Leaving a  
Legacy**

## WHAT WE'LL COVER TODAY

- What Stays the Same
- What Changes
- Withdrawals
- Taxes & Parsonage
- Important Reminders

# What stays the same in retirement

- Investment management and fund choices
  - Investments managed by RPB and NEPC, our professional financial advisors
  - 15 investment fund options including Reform Jewish Values Stock Fund
  - Change your investment allocations in Fidelity NetBenefits
- RPB market update webinars
- Access to RPB staff and Fidelity retirement planners

# What changes in retirement

- Contributions end (some exceptions)
- Withdrawals
  - Flexible withdrawal options
  - RMDs start at age 73<sup>1</sup>
- Insurance coverage ends
  - No more LTD
  - Option to convert any RPB life insurance to an individual policy

<sup>1</sup>If you were born after 12/31/1950



# Your withdrawal options



**Systematic  
Withdrawal  
Payments (SWP)**



**Lump sum  
withdrawals**



**Annuity through  
MetLife**



**Required Minimum  
Distribution (RMD)**

## Systematic Withdrawal Payments

### HOW IT WORKS

- Set-up monthly, quarterly, semi-annual or annual payments by direct deposit (call Fidelity at 800-343-0860)
- Option to select a specific fund for withdrawals (call Fidelity)
- Change the withdrawal amount or tax withholding (call Fidelity)



ADVANTAGES	CONSIDERATIONS
<ul style="list-style-type: none"><li>• Helpful in managing a monthly budget</li><li>• More of your money remains invested</li><li>• Can help manage RMDs</li></ul>	<ul style="list-style-type: none"><li>• Eligible for parsonage tax exclusion</li><li>• Rabbi Trust balance?</li><li>• Retirement funds outside RPB?</li></ul>



## Lump-sum withdrawals

### HOW IT WORKS

- Partial or full withdrawal
- 403(b) assets only
- Plan sponsor approval required



ADVANTAGES	CONSIDERATIONS
<ul style="list-style-type: none"><li>• Flexibility to meet retirement, lifestyle, and wealth transfer goals</li><li>• Available even if taking monthly distributions</li></ul>	<ul style="list-style-type: none"><li>• Possible parsonage tax exclusion impact for Rabbis</li><li>• Rabbi Trust balance?</li><li>• Retirement funds outside RPB?</li></ul>

## Annuity through MetLife

### HOW IT WORKS

- Purchase from MetLife through RPB with all or part of your funds
- Receive fixed payments for life (self and/or family, many options)
- Clergy can apply the parsonage tax exclusion benefit to annuity payments



ADVANTAGES	CONSIDERATIONS
<ul style="list-style-type: none"><li>• Guaranteed distributions for life</li><li>• Not disrupted by market volatility</li><li>• MetLife Annuity through RPB is eligible for parsonage tax benefit</li></ul>	<ul style="list-style-type: none"><li>• Variety of payment options and pricing</li><li>• Could be affected by inflation</li><li>• Less or no opportunity for growth</li><li>• Often higher cost, possible higher taxes</li></ul>

## Required Minimum Distribution (RMD)

Age 73*	IRS requires distributions to begin
25%	Tax penalty for non-compliance
1	Option for deferring RMD

- 403(b) account only - not Rabbi Trust accounts
- Must take RMD for each type of retirement account - 403(b), 401(k), IRA, etc.
- Can delay start of RMDs if still working for RPB-eligible employer
- Fidelity processes your annual RMD; call Fidelity to discuss payment options

## Required Minimum Distribution (RMD)

### YOUR FIRST RMD

DEFAULT w/ Fidelity	ANOTHER OPTION
<ul style="list-style-type: none"><li>• Paid by <b>April 1</b> of the year following the year <b>you turn 73 or leave employer (whichever is later)</b></li><li>• You'll receive 2 RMDs that year</li></ul>	<ul style="list-style-type: none"><li>• To receive your first RMD <b>the same year you turn 73</b>, call Fidelity</li></ul>

\*You can delay your first RMD until April 1 of the year after you turn 73 or no longer work for an RPB-eligible employer, but you'll have 2 RMDs that year—one by April 1, the other by December 31.

## Required Minimum Distribution (RMD)

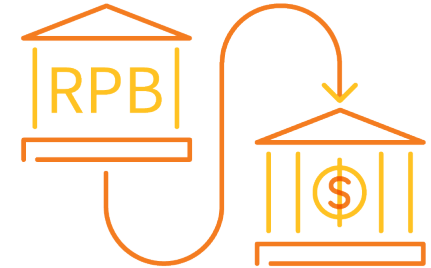
### SATISFYING YOUR SUBSEQUENT ANNUAL RMD

- Must satisfy RMD by December 31 to avoid IRS penalty
- Fidelity reviews your account in November each year and will issue payment to satisfy any RMD balance due
- Any periodic or lump sum withdrawals taken prior to November count toward satisfying the RMD
- If you don't plan to take withdrawals other than your RMD and want it paid before year end, call Fidelity at 800-343-0860
- Can set up RMD SWP, which adjusts automatically each year

## Rollovers to another plan

### HOW IT WORKS

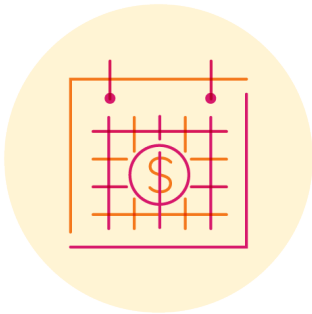
- Rollover funds to another qualified plan
- Full or partial rollover
- Applies to 403(b) funds only



### CONSIDERATIONS

- No income tax impact in year of rollover
- Loss of parsonage tax benefit for clergy

## Combination



Systematic  
withdrawals

**EXAMPLE:**

To ensure a steady  
income stream



Partial lump-sum  
payment

**EXAMPLE:**

To help your children  
with a purchase



Partial rollover

**EXAMPLE:**

If desired

# Rollovers to RPB

## HOW IT WORKS

- Rollover funds from another qualified plan
- Must first provide proof of qualified status to RPB
- Request rollover forms from your financial institution
- Funds sent by check to RPB not Fidelity



## CONSIDERATIONS

- No tax implications
- Parsonage potential for rolled-over funds
- May simplify satisfying your RMD if you have multiple accounts



# Rabbi Trust Distributions

## NON-QUALIFIED DEFERRED COMPENSATION PLAN (NQDC)

Rabbi Trust Pre-2005	Rabbi Trust Post-2004
<ul style="list-style-type: none"><li>• Minimum annual distribution: \$25K or your account balance if commence prior to April 1, 2026</li></ul>	<ul style="list-style-type: none"><li>• Minimum annual distribution: \$23K (as of 2024) or your account balance if commence prior to April 1, 2026</li></ul>

### Distributions:

- Will begin by default at age 65 and retired
- Must start no later than (1) the year after you turn 70.5 or (2) by December 31 of the year you turn 72, based on birth date, regardless of employment status
- 5-year default payout period; can be extended in certain circumstances with timely election

## 403(b) Loans

### HOW IT WORKS

- Loan Types
  - General – 5-year payback
  - Residential – 10-year payback
- Loan Amount
  - \$1,000 - \$50,000 (or 50% of your 403(b) account balance, whichever is less)
- Interest Rate and Fees
  - Prime rate plus 1%
  - One-time \$75 loan origination fee; Annual \$25 loan maintenance fee

ADVANTAGES	CONSIDERATIONS
<ul style="list-style-type: none"><li>• Interest paid back to your account</li><li>• Doesn't show on your credit report</li></ul>	<ul style="list-style-type: none"><li>• Potential loss of tax-deferred growth of investments</li><li>• After 59.5 can take penalty-free withdrawal instead of a loan</li></ul>

## How to receive your money


- 1 Contact RPB with your retirement date
- 2 Call Fidelity to manage your withdrawal options
- 3 Review your withdrawal options with RPB

# Taxes

- All withdrawals are considered taxable income (some exceptions)
  - Parsonage “excludes” income from tax liability; clergy can opt to have federal and/or state taxes withheld
- Fidelity processes payments and issues year-end tax forms:
  - Form 1099-R reports your 403(b) distributions
  - Form W-2 reports your Rabbi Trust distributions

# Parsonage

- Tax exclusion benefit for clergy in retirement
- RPB designates your annual distributions as **100% parsonage eligible** in advance of each new year and sends you an email notice
- Keep records of your actual housing expenses. Consult with your tax advisor to determine the applicable exclusion amount on your tax return
- May not apply to funds rolled out of or into the RPB Plan
- Always speak with your tax advisor


Housing Expenses Worksheet

Retired clergy can have eligible distributions from their 403(b) and Rabbi Trust accounts designated as a housing allowance and potentially excluded from gross income for federal income tax purposes.

RPB will designate 100 percent of your distribution income as your potential housing allowance, but this does not mean that this is the amount that can actually be excluded from your federal income taxes. The IRS allows you to exclude from gross income the lesser of the following:

- The amount officially designated by RPB as a housing allowance (in advance of the expense), or
- The amount of actual housing expenses, or
- The fair market rental value of your furnished home, including utilities.

Generally, any expense to provide or maintain the home can be used to substantiate the housing exclusion. Clergy who own or rent their primary residence should take the following expenses into account to calculate your housing allowance tax exclusion:

Housing Expense	Annual Amount
Down payment on a new primary residence	\$
Payments on mortgage loan to purchase or improve your home (interest and principal)	\$
Rent	\$
Remodeling and improvements	\$
Real estate taxes	\$
Property insurance	\$
Utilities (electricity, gas, water, trash pickup, land-line telephone charges, Internet)	\$
Furnishings and appliances (purchase and repair)	\$
Maintenance items (pest control, lawn maintenance, etc.)	\$
Homeowners association dues	\$
Miscellaneous home expenses	\$
<b>Total Annual Housing Expenses</b>	<b>\$</b>
<b>Potential Amount Excludable from Federal Income Tax</b>	
A. Annual Housing Expenses (above)	\$
B. Actual Fair Market Rental Value (including utilities)	\$
C. Amount Designated by RPB as Housing Allowance	\$
<b>Potential Housing Allowance Exclusion (lesser of A, B, or C)*</b>	<b>\$</b>

\*Make sure you have records of your actual house expenses and work with your tax advisor to discuss your individual circumstances.

Clergy Housing Expenses Worksheet - Last updated 4/25/19

Visit [rpb.org/parsonage](http://rpb.org/parsonage)



# Your to-do list

1

## MAKE SURE YOUR CONTACT INFORMATION IS UP TO DATE WITH RPB

- We'll be in constant contact
- Call or email us

2

## REVIEW BENEFICIARIES

- Review and update in *MyRPB for Participants* portal and *Fidelity NetBenefits*
- Especially after a life event (divorce or death of a spouse/partner)
- Consider designating secondary/contingent beneficiaries
- To designate dollar amounts instead of percentages, call RPB

## Contact Us

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Thank you!