



**The Anglican Diocese of
South Carolina 403(b) Plan
Lay**

At the Anglican Diocese, we want to help you make your future a financial success. Building a retirement account is an important part of your future. The Anglican Diocese of South Carolina 403(b) Plan (the Plan) is a powerful tool that combines convenience, employer contributions, tax advantages, and growth opportunity.

403(b) Plan Basics

A 403(b) plan is a type of retirement plan that allows you to save money for your future. These types of plans were created back in the early 1980s to encourage people to save for their retirement years. Here are some of the basics of the Plan:

Eligibility and Enrollment	As a full-time employee, you are automatically enrolled and begin saving in the Plan on the first day of the month following your date of hire. You will begin receiving the employer contributions on the first day of the month following your first year of service anniversary.
Contributions	<p>Your contributions</p> <ul style="list-style-type: none"> ■ Once you are eligible, you are enrolled in the Plan contributing 1% of your pre-tax pay to the plan. You can save up to 100% of your pay, up to annual limits set by the government. ■ And if you are age 50 or older you can contribute an extra amount to “catch up” on retirement savings. <p>Employer contributions</p> <ul style="list-style-type: none"> ■ Your employer matches your contributions and gives you <i>free money</i> when you participate in the Plan. ■ They also provide additional contributions in the form of non-elective contributions. You receive a 5% non-elective contribution to the Plan each year.
Vesting	All contributions – your and your employer’s – are 100% vested immediately.
Investment Options	You choose how your money is invested among a selection of professionally managed mutual funds, risk based portfolios, and target date portfolios.
Account Access	<p>You have the Retirement Focus Service Center to help you access your account information:</p> <ul style="list-style-type: none"> ■ By phone, where you can speak with a customer service representative; and ■ Online, where you can see account activity, make changes, and plan for your retirement.
Distributions	<p>You can receive a payment – or a distribution – from the Plan when you:</p> <ul style="list-style-type: none"> ■ Leave the employer for any reason; ■ Retire; ■ Become permanently disabled; or ■ Die.
Benefits	<p>There are plenty of reasons to save in the 403(b) plan:</p> <ul style="list-style-type: none"> ■ Saving is easy and consistent with automatic payroll deductions. ■ <i>Free money</i> is waiting for you – and all you have to do is save. ■ Investing is simple with plenty of options to meet your needs. ■ You don't pay taxes on the money you save – or the earnings on those investments – while you are employed.

Build for Retirement

Planning for your retirement doesn't have to be difficult. In fact, these three easy steps can help you begin building your retirement savings.

Step 1: Decide how much you should save

How much money you will need depends on how you want to live during retirement. Consider that for most people, retirement income will come from three sources:

- Social Security,
- Your personal savings, and
- Employer-sponsored retirement plans, like the 403(b) Plan.

Social Security is a program supported by the federal government that provides income during retirement for eligible workers. Both you and the Anglican Diocese make contributions for Social Security benefits through taxes. For most individuals, Social Security retirement benefits will not provide enough money during retirement to live independently and comfortably, creating an "income gap" for many people. It is best to view Social Security as a helping hand in your retirement, but not as your entire income source.



Use Pre-Tax Savings to Make it Easier

Saving in the 403(b) Plan is automatic through pre-tax payroll deductions. What this really means is that you get to keep more of your own pay and you pay less to the government in taxes.

When you deposit your paycheck into a savings account, you have already paid income taxes on that money. But, you don't pay taxes on money you deposit into your 403(b) Plan account. Plus, when the money in a regular bank account earns interest, you have to pay taxes on those earnings too. But in the 403(b) Plan, you don't have to pay taxes on the investment earnings.

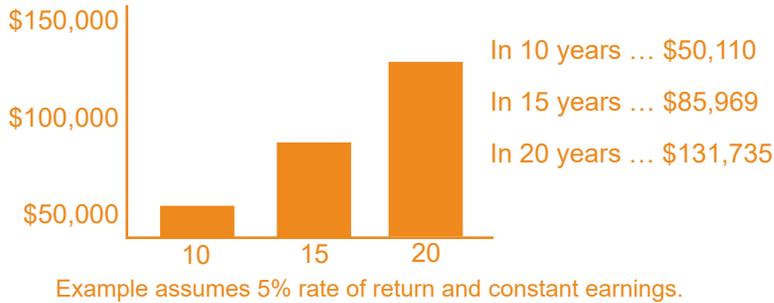
Here's how your 403(b) savings plan can save you tax money:

Paycheck for Sally Saver	
Gross semi-monthly pay	\$1,660.00
3% pre-tax savings	– 49.80
15% taxes	– 241.53
Take-home pay	\$1,368.67

Paycheck for Stanley Spender	
Gross semi-monthly pay	\$1,660.00
0% savings	– 0.00
15% taxes	– 249.00
Take-home pay	\$1,411.00

Sally pays less than Stanley to the government

Plus, Sally's take-home pay is only \$42.33 less than Stanley and she saves \$49.80. She also receives free money through the matching contribution. (Stanley isn't saving anything at all.)



Maximize the Match

To help you save for retirement, your employer matches part of your contributions. When you save, your employer will deposit matching contributions of 100% on the first 5% of pay you save. This means, when you save at least 5% of your pay, your employer will match your savings – dollar for dollar – and deposit that into your 403(b) Plan account.

Use the Power of Time

You've got time on your side if you start saving right away. On the left you can see what Sally Saver will have if she continues to save \$49.80 per pay and receives the 5% matching contribution.

“Catch-up” with your Savings

Many people start saving for retirement much too late, but the 403(b) Plan can help you make up for lost time with extra “catch-up” contributions to the Plan. If you are age 50 or older (or if you are turning age 50 this year), you can save additional money in the Plan. These catch-up contributions allow you to exceed the yearly IRS limits. You can begin making catch-up contributions as soon as you reach the Internal Revenue Service annual maximum.

Year	Maximum before-tax contribution	Catch-up contribution	Total allowable plan contribution
2020	\$19,500	\$6,500	\$26,000

(These amounts may be adjusted for inflation after 2020.)

How Your Savings Vest

Vesting means when your savings belong to you.

All contributions to the Plan – yours and your employer’s matching and Profit Sharing contributions – are always 100% vested. This means they always belong to you.

Continue Saving to Build Your Future

Now that you know about the tax advantages and the benefits of time, you know how important it is to continue saving for your future. There are a few ways to do it:

- **Increase your savings with pay increases.** Here is an idea – save a portion of your pay increase before you get used to having the extra money.
- **Increase your savings with a decrease in expenses.** As you pay off other debts you have, like a car loan, save that money you would normally have to pay each month in your 403(b) Plan account.
- **Increase your savings with small changes in your spending habits.** Rather than buying two cappuccinos during a week – buy only one and save that money instead.

Changes like these can really help you grow your savings – building your retirement dreams one dollar at a time.

Still not sure?

Let's take a look at some of the reasons that you may not think you can save for your future.

You don't think you can save because ...	It's easier than you think because ...
You have debts to pay	It's best to start early when you save for retirement, so you can set aside small amounts of money in the 403(b) Plan at the same time you are paying off debts.
You have kids to raise	Kids can help you make small changes in your spending habits. Having kids may make you consider how you need to prepare for your financial future. Set a good example by showing them the importance of saving.
You have regular living expenses	Saving automatically through your paycheck helps put a little money aside to go a long way in the future.

Step 2: Decide how to invest your money

Planning for your retirement is not simply *saving* your money – it's about investing your money to ensure long-term financial security. Be sure to consider inflation, your level of risk, diversification, and your overall investment strategy when building your future.

Don't Forget About Inflation

Inflation is when money loses purchasing power. That is why you need to decide what investments are right for you.

For example, during the 20th century, inflation reduced purchasing power by about 95% – reducing a 1900 dollar to a 2000 nickel. Just think how much more a person who retired 21 years ago – in 1990 – pays today for basic food items. Here's a sample grocery bag, using Midwest prices:

Planning for inflation requires good investment choices so you will have enough to pay for this grocery bag in another 21 years.

	1990	2011
Bread	\$1.54	\$2.67
Milk	2.05	4.95
Eggs	1.10	1.90
Chicken	2.86	4.95
Oranges	3.11	5.38
Lettuce	1.54	2.67
Total	\$12.20	\$22.52

Mix it Up

When you invest, you put your money at risk. There is a chance that you might lose money, or that it won't grow as much as you expect. You can manage your risk by diversifying your retirement account. Diversifying means spreading money among different types of investments such as stocks, bonds, and cash/stable value investment options.

- **Stocks** – shares in the ownership of a company. They carry greater risks than bonds and cash/stable value options, but have offered greater potential for long-term growth.
- **Bonds** – issued by corporations or government agencies. Bonds work best when you want to protect your original savings amount, plus get a fixed rate of interest, paid at a set date.
- **Cash/stable value investment options** – hold money for much shorter periods. They offer low risk with lower returns.

You can choose to invest your 403(b) Plan savings by selecting from a set of professionally-managed mutual funds, or through the investment portfolios shown below. These portfolios are designed to automatically diversify your savings among the three types of investments. Portfolios help you take advantage of new market opportunities without requiring you to keep an eye on your investments on a daily basis.

Target Risk Portfolios

	Conservative	Moderate	Aggressive
Federated Government Obligation	40%	15%	5%
Metro West Total Return	20%	15%	5%
Federated High Yield	10%	5%	0%
Templeton Global Bond	5%	5%	0%
Vanguard Equity Income	5%	10%	10%
Vanguard 500 Index	5%	5%	15%
T. Rowe Price Growth Stock	5%	10%	10%
Wells Fargo Special Mid Cap Value	0%	5%	5%
Vanguard Mid Cap Index	5%	0%	0%
Janus Enterprise	0%	5%	5%
Goldman Sachs Small Cap Value	0%	5%	10%
T. Rowe Price New Horizons	0%	5%	10%
Hartford International	5%	10%	15%
Oppenheimer Developing Markets	0%	5%	10%

Target Retirement Date Portfolios

	Retire	2015	2020	2025	2030	2035	2040	2045	2050	2055
Federated Government Obligation	40%	25%	15%	10%	5%	5%	5%	5%	5%	5%
Metro West Total Return	30%	25%	20%	15%	10%	5%	5%	5%	5%	5%
Federated High Yield	5%	5%	5%	5%	5%	0%	0%	0%	0%	0%
Templeton Global Bond	5%	5%	5%	5%	5%	0%	0%	0%	0%	0%
Vanguard Equity Income	5%	5%	5%	10%	10%	10%	10%	10%	10%	10%
Vanguard 500 Index	5%	10%	10%	10%	15%	15%	15%	15%	15%	15%
T. Rowe Price Growth Stock	0%	5%	5%	10%	10%	10%	10%	10%	10%	10%
Wells Fargo Spec Mid Cap Value	0%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Vanguard Mid Cap Index	5%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Janus Enterprise	0%	5%	5%	5%	5%	5%	5%	5%	5%	5%
Goldman Sachs Small Cap Value	0%	5%	5%	5%	5%	10%	10%	10%	10%	10%
T. Rowe Price New Horizons	0%	0%	5%	5%	5%	10%	10%	10%	10%	10%
Hartford International	5%	5%	10%	10%	15%	17%	17%	17%	17%	17%
Oppenheimer Developing Markets	0%	0%	5%	5%	5%	8%	8%	8%	8%	8%

Or, you can choose to create your own mix using the mutual funds that make up the portfolios.

A Rebalancing Act

One of the helpful features of the portfolios is that they automatically “rebalance” each quarter. This means that the portfolio you are invested in realigns according to the percentages above in response to market conditions. This way, you don't have to monitor your account every day.

Step 3: Manage your Account

Once you have decided how to invest in your future, you are ready to manage your account. And it's easy with the Retirement Focus Service Center.

Retirement Focus Service Center

As a participant in the 403(b) Plan, you have access to the Retirement Focus Service Center – a secure customer service center that helps you access your account information. You can reach the Retirement Focus Service Center on the internet at www.retirementfocus.com 24 hours a day, 7 days a week or by phone at 888.917.7107.

RetirementFocus.com

You can reach www.RetirementFocus.com from any computer with an internet connection. Log in to the site with your user name and personal identification number (PIN). Your initial user name is your Social Security Number and initial PIN is your birth date expressed as MMDDYY. For example, if your birth date is February 5, 1975, your PIN is 020575. Once you log in to the website for the first time, you will be encouraged to create a new user name and PIN to something that you can easily remember. In addition, you will choose a Secret Q & A to answer if you forget your PIN.

On the website, you can:

- Manage your account: View your account balance, make changes to the amount you contribute to the 403(b) Plan, and make changes to your investment elections.
- Access retirement planning tools: use the paycheck calculator to see the effects of your pre-tax contributions to your 403(b) Plan account, track financial planning progress to set up a savings schedule for your children's college tuition, and use Future Focus to create your retirement savings strategy.
- View educational materials: learn about the basics of investing, access a glossary of terms to find the meanings of financial and investing terms.

Retirement Focus phone line

The Retirement Focus phone line is a toll-free number that you can speak to a Retirement Focus customer service specialist. Specialists are available Monday through Friday from 8:00 a.m. to 8:00 p.m. Eastern Standard time.

ABOUT THIS BOOKLET

This summary is intended to provide an easy-to-read preview of the Anglican Diocese of South Carolina 403(b) Plan. Should there be any conflict between the explanation in this summary and the actual terms of the plan documents, the terms of the plan documents will govern.

The Anglican Diocese reserves the right to amend, modify, or terminate any or all of the provisions of this Plan in the future. This booklet does not constitute an agreement of any kind.