

# AFLC Benefits

The AFLC Benefits Board exists to help AFLC pastors, missionaries, and lay employees serve Christ by helping and overseeing:

- **Retirement plan platform** constructed from a broad base of investment options so participants might have a stream of income in retirement years.
- **Insurance products** to protect participants and their beneficiaries from losses associated from illness, disability, or death.
- **Financial assistance for pastors** who are experiencing critical financial challenges (H.I.S. Fund).

## AFLC Retirement Plan

**The AFLC offers a 401(k) or ROTH 401(k) Retirement Savings Plan through Empower Retirement for all eligible employees.**

Contributions to a 401(k) plan are made with “pre-tax” dollars, grow tax-deferred during the accumulation phase and are taxed as ordinary income upon distribution in retirement. Because the AFLC Retirement Savings Plan is “denominationally sponsored” some portion of distributions received by Pastors in retirement will qualify for “housing allowance” and not be subject to ordinary income taxation. Pastors in a Retirement Savings Plan sponsored by a single church do not receive this same tax-favored treatment. Please contact your Certified Public Accountant or other tax professional for details regarding “housing allowance” for pastors.

Contributions to a ROTH 401(k) plan are made “after-tax” dollars and are limited to elective employee contributions. Employer matching contributions cannot be invested in a ROTH 401(k) account! Contributions into a ROTH 401(k) grow tax-deferred during the accumulation phase and carry no income tax liability if distributions begin after age 59 1/2. Please contact your Certified Public Accountant or other tax professional for details regarding whether such an account is appropriate for your individual situation.

**It is up to each congregation to decide if they want to participate in the 401(k).** If they do choose to participate, the congregation can decide if they will provide an employer benefit or contribution to each employee's 401(k). *Please note, if a church chooses to participate in the 401(k), all eligible employees must be given the option to enroll and participate in the 401k. Employees can choose to opt-out of participation.*

*(Eligible Employee – someone employed by the congregation, who is 21 or older.)*

## **Insurance Options**

### **Term Life and AD&D Insurance**

What happens to those left behind after death? Loss of income, medical costs, and burial expenses can cause additional burden besides the loss of a loved one. Term Life Insurance and Accidental Death and Dismemberment coverage up to \$50,000 is offered to all employees working a minimum of 32 hours per week. At age 65, this coverage is reduced to \$32,500 and at age 70 coverage is reduced to \$25,000. The plan is guaranteed without requirement for medical underwriting. Dependent Life Insurance is also available. This is \$5,000 for a spouse, and \$2,500 for each eligible dependent child.

### **Long Term Disability Income Insurance**

What if your paycheck stopped coming? It's estimated that one in three people will experience a disabling event sometime in their life. Are you prepared for such an event? This benefit is available to all eligible employees who work at least 32 hours per week. In the event of a disabling event the participant will receive 60% of their "before-tax" earnings to a maximum annual salary of \$78,000 after a 90 day elimination period. The employer needs to "gross up" the participant's salary to include the disability premiums so that premiums are paid with "after tax" dollars.

**Both of these plans require 100% participation. All congregations that choose to participate must enroll all eligible employees.**

## **Help In Service Fund (HIS Fund)**

The purpose of the HIS Fund is to assist AFLC pastors and their families with financial needs resulting from various unforeseen circumstances. Any money distributed is done so as a gift. Repayment is not expected. However, if a recipient finds himself in a position and has a desire to give to the HIS fund at a later time, they are encouraged to give to the AFLC and designate the gift to the HIS fund.

### **HIS Fund Application**

To apply for a distribution from the HIS Fund for yourself, or on behalf of someone else, please complete the application form and return it to the AFLC Presidents office either by mail or email, [president@afcl.org](mailto:president@afcl.org)

**Please contact the AFLC Business Office (763-545-5631) with any questions or requests for enrollment documents for the 401(k) or Insurance plans.**