



# Maximize the Gift of Time for Your Retirement



**The Pension Boards**  
United Church of Christ, Inc.

WHERE FAITH AND FINANCE INTERSECT

1.800.642.6543  
[www.pbucc.org](http://www.pbucc.org)

# Maximize the Gift of Time for Your Retirement

According to a 2020 [U.S.Census Bureau report](#), life expectancy for the total population is projected to increase by six years from 79.7 in 2017 to 85.6 in 2060\*. If this is true, how can you utilize the gift of time to your financial advantage?

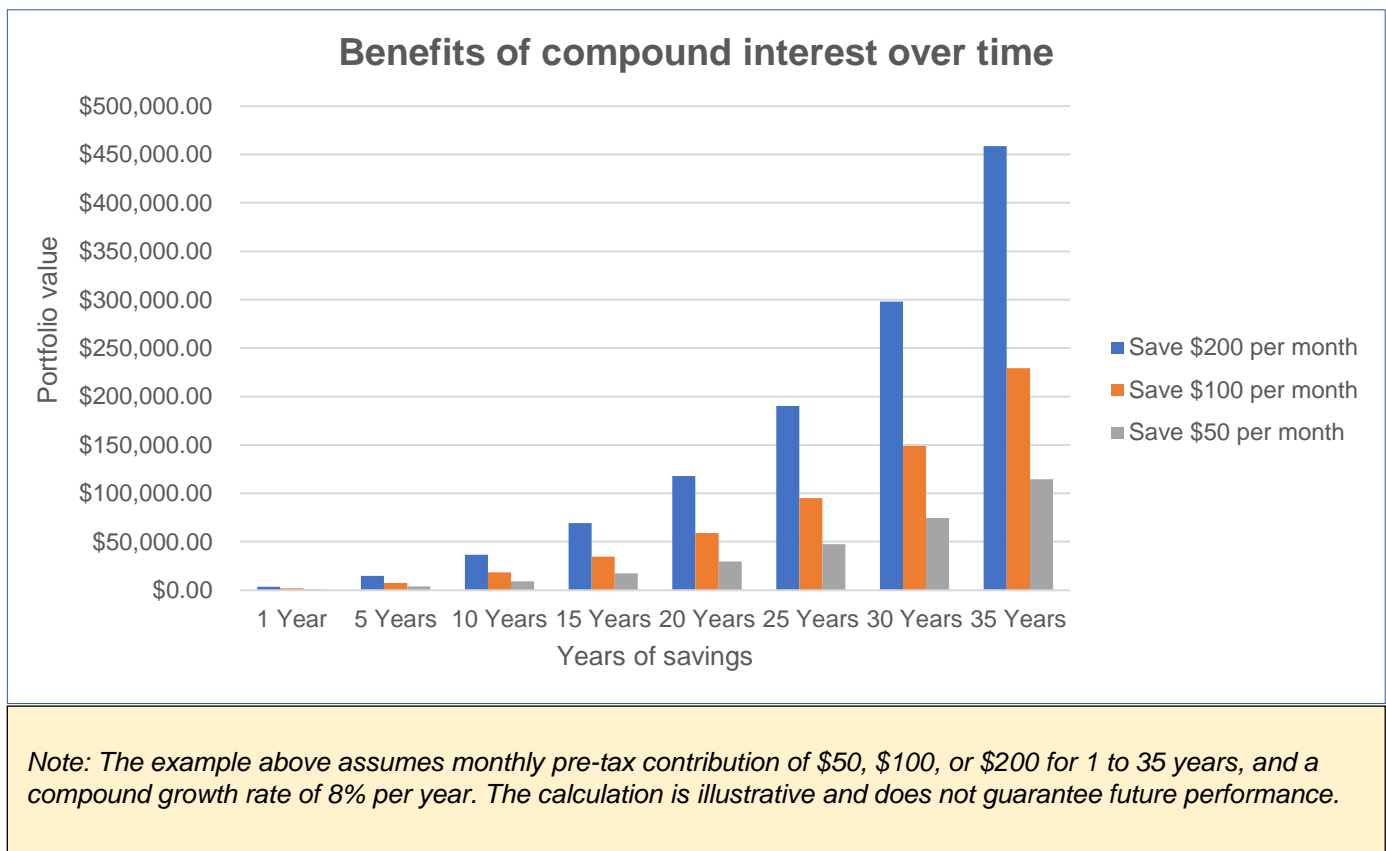
The answer: compound interest.

Albert Einstein once said, "The most powerful force in the universe is compound interest."

Simply put, compound interest (aka growth rate) occurs when interest gets added to the principal amount invested, and then the interest rate applies to the new (larger) principal.

Let compound interest work to your advantage by making personal contributions into the **Lifetime Retirement Income Plan for the UCC (Plan)**.

Let's look at this graph below:



If you saved \$200 a month for 35 years, assuming compound growth of 8% per year, your account balance could grow to **\$450,000!** If you don't have \$200 a month to spare, you can start by contributing as low as \$25 a month.

# Maximize the Gift of Time for Your Retirement

The **Lifetime Retirement Income Plan for the UCC** is a great tool to help you build your retirement nest egg! It allows you to contribute toward your retirement savings through automatic voluntary personal payroll deductions. Here's what you need to know:

## Benefits of Automatic Personal Contributions:

- **Pay yourself first:** One of the best ways to save for retirement is through automatic payroll deductions. Why? If you don't see the money, you can't spend it, and then the money goes to work for you towards retirement!
- **Professional money management from the Pension Boards:** The Pension Boards offers you several mutual funds from which to select. You can also select a Target Annuity Date (TAD) Fund to simplify the investing process. TAD Funds are a "set-it-and-forget-it" approach to investing for retirement. You simply choose the TAD year (e.g., TAD 2045) that closely matches your estimated retirement year.
- **Reduce your taxes with pre-tax contributions:** You have the option of saving into the Plan on a pre-tax basis. Saving pre-tax dollars reduces your taxable income, for the current tax year, because no Federal income taxes are due on pre-tax contributions. These contributions and associated earnings grow tax-deferred until they are withdrawn at retirement.

## Who can contribute into Lifetime Retirement Income Plan for the UCC?

- Any clergyperson or lay employee, self-employed minister, or chaplain employed by a UCC church or UCC-related employer is eligible to participate immediately upon employment, if permitted by the employer.
- UCC ordained ministers that work for non-UCC employers can also contribute.
- An employee of an eligible church, convention, or association of churches that previously participated in the Plan (or its predecessor plans), or who is an active member of the Plan if such church, convention, or association of churches makes regular contributions to the Annuity Plan on behalf of such member with the consent of PBUCC, may also participate.

## How much can you contribute?

In the 2023 calendar year, you can make a maximum contribution of \$22,500. If you are over the age of 50 at any time in 2023, you can make an additional catch-up contribution of \$7,500.

## Can I roll-over my old pre-tax 403(b), 401(k), or an outside pre-tax IRA into the Plan?

Yes! Contact Fidelity Retirement Service Center through Pension Boards' Member Services at 1.800.642.6453 from 8:30 a.m. to 12:00 a.m. ET, Monday to Friday.

### TIP 1

You can start with contributing a minimum of \$25 per pay period.

### TIP 2

You can make personal contributions even if your employer is not contributing on your behalf.





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## How do my Plan contributions impact my housing allowance in retirement?

If you are an authorized United Church of Christ minister, distributions of personal contributions in retirement become eligible for the housing allowance tax exclusion, as are payments from contributions made by your employer(s). This is not the case for distributions from traditional IRAs or similar retirement accounts; it is only available for persons receiving retirement income from a church pension plan as defined by the IRS.

## How do I enroll?

Simply call the Fidelity Retirement Service Center through Pension Boards' Member Services at **1.800.642.6543** from 8:30 a.m. to 12:00 a.m. ET, Monday to Friday.





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