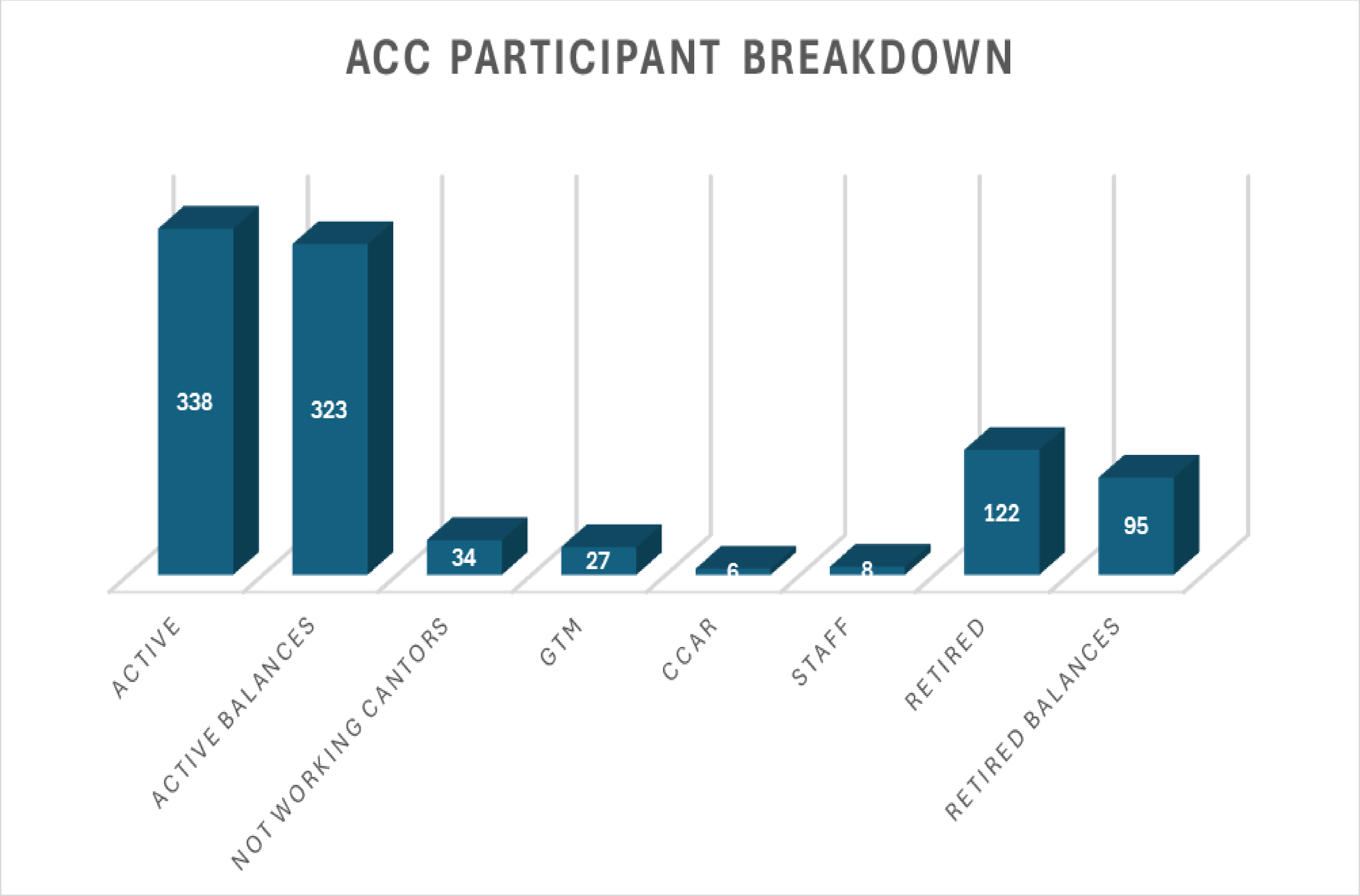
April 10, 2024

ACC Retirement Plan Trustee Training and Orientation

Plan Participation


ACC PARTICIPANT BREAKDOWN
338
323
34
27
6
8
122
95
ACTIVE
ACTIVE BALANCES
NOT WORKING CANTORS
GTM
CCAR
STAFF
RETIRED
RETIRED BALANCES

Fund Participants: Non-ACC Cantors

GTM

27 Members currently in the plan but the numbers are growing in size.

Most do not work full time for qualified employers.

CCAR

6 CCAR rabbis are in the plan.

Eligible to join ACC if their employer is not a URJ congregation or affiliate.

Conservative Cantors

Joint Retirement Board

Population Trends: Aging Population

- Fewer young people choose to enter the clergy
- Length of training to become a cantor
- 2nd Career, cantors
- Affording retirement
  - Retire at 65 if they can afford to, though many cantors work as long as their voices hold
  - Early retirement age is 59.5
- Baby boomers are retiring faster than we can replace them with new cantors, causing a shortage.

Population Trends: Secure 2.0 Issues

- Provisions in Secure 2.0 can assist with increasing membership in a retirement plan.
  - Auto Enrollment and Auto-Increase
  - Church plans are exempted and can’t participate in these options.

- ACC is a multi-employer plan without control of payroll and therefore can’t control Auto-Enrollment or Auto-Increase.

Population Trends: Leaving the Plan

- The average roll over requests per year is 8-10.
- Requests in last several weeks are 4.
- Last two years, about 5 participants with very large balances rolled most of their funds out of the plan.
  - ACC not having investment options they want.
  - Participants leave anticipated parsonage in the plan.
- Not all requests are finalized when they understand parsonage.

Population Trends: Solutions

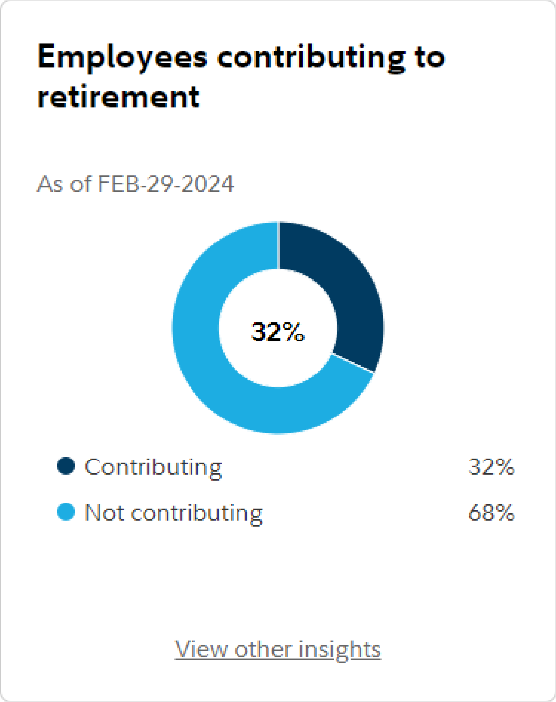
- **Include graduates of other seminaries for membership in the ACC.**
- **Consistent messaging**
- **The 15% employer contribution is becoming standard for synagogues.**
- **Elective salary deferrals have been increasing over the years.**
- **Assisting cantors through education and support.**

Population Trends: Solutions The DFSSM 5th Presentation

- 5th years coming out with jobs are in contact with Mary Rebecca Thomas and Erin Frankel.
  - Work to ensure contracts have retirement contribution.
- ACC pitch to students:
  - Salary deferrals
  - LTD/Life products
  - Benefits of church plans and parsonage

Salary Deferral Participation

- Despite only 32% of our participants contributing via salary deferrals, their deferrals are most of the corrections and mistakes that the office works to correct.



Employer Participation: Contributions

- Most congregations make employer contributions.
- The trend is for “packages.”
- Packages can be a lump sum, broken up between salary, parsonage, dues, retirement, convention, etc.
- The goal is a 15% employer contribution`

Plan Design

Including Secure 2.0

Spectrum Report | ACC RETIREMENT PLAN

Compiled as of: March 26, 2024

Risk Spectrum for Lifecycle Funds

Investment Options to the left have potentially more inflation risk and less investment risk

Investment Options to the right have potentially less inflation risk and more investment risk

- T. Rowe Price Retirement 2005 Fund Class I
- T. Rowe Price Retirement 2010 Fund Class I
- T. Rowe Price Retirement 2015 Fund Class I
- T. Rowe Price Retirement 2020 Fund Class I
- T. Rowe Price Retirement 2025 Fund Class I
- T. Rowe Price Retirement 2030 Fund Class I
- T. Rowe Price Retirement 2035 Fund I Class
- T. Rowe Price Retirement 2040 Fund I Class
- T. Rowe Price Retirement 2045 Fund I Class
- T. Rowe Price Retirement 2050 Fund I Class
- T. Rowe Price Retirement 2055 Fund I Class
- T. Rowe Price Retirement 2060 Fund I Class

Risk Spectrum for General Investment Options

Investment Options to the left have potentially more inflation risk and less investment risk

Investment Options to the right have potentially less inflation risk and more investment risk

Money Market (or Short Term)

Government
- Vanguard Treasury Money Market Fund Investor Shares

Managed Income (or Stable Value)

Bond

Government
- Fidelity® Government Income Fund

Diversified
- Loomis Sayles Core Plus Bond Fund Class N

High Yield
- PGIM High Yield Fund-Class R6

Balanced / Hybrid

- Fidelity® Puritan® Fund Class K
- T. Rowe Price Retirement Balanced Fund Class I

International
- First Eagle Global Fund Class R6

Domestic Equity

Large Value
- American Funds American Mutual Fund® Class R-6

Large Blend
- Fidelity® 500 Index Fund

Large Growth
- American Funds The Growth Fund of America® Class R-6

Mid Value
- Allspring Special Mid Cap Value Fund - Class R6
- Fidelity® Low-Priced Stock Fund Class K

Mid Blend

Mid Growth

Small Value
- American Beacon Small Cap Value Fund R6 Class

Small Blend

Small Growth
- Loomis Sayles Small Cap Growth Fund Class N

International / Global Equity

Diversified
- The Hartford International Opportunities Fund Class R6

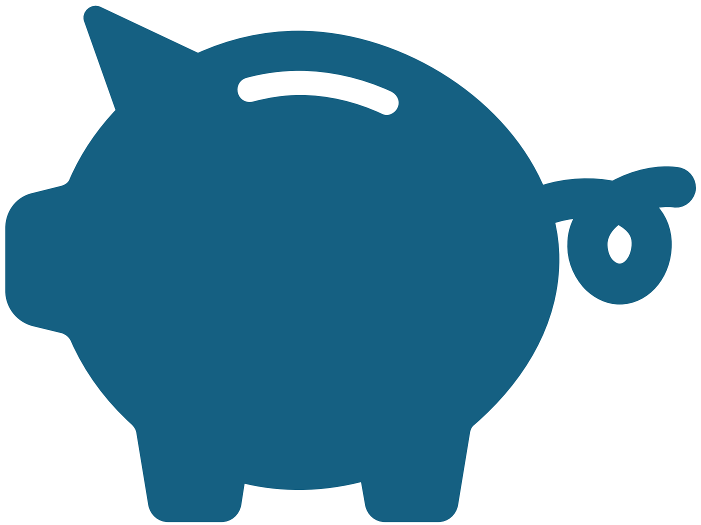
Emerging Markets
- Fidelity® Emerging Markets Fund Class K

Specialty

Company Stock

Default option – Vanguard Money Market Acct.

- 22 plan participants have never changed to another option.
- Plan balances range from just over $2,000 to $1.3M
- Newly added Index funds might be of interest to them.
- Fidelity can send a communication encouraging participants to reach out to Stephen Maloney or the NetBenefits line.



Changes from Secure 2.0

- Part-time employees
- Roth catch up regulations
- The RMD changes
- Early withdrawal and enhanced benefit provisions

Fidelity INVESTMENTS

SECURE 2.0 Optional Provisions –Appendix March 2024

Section	Plan	Summary
Section 109: Increase Age 50 Catch-Up Contribution Limit for Participants Ages 60 through 63	401(k), 403(b), Gov't 457(b)	Under current law, employees who attained age 50 are permitted to make catch-up contributions under a retirement plan in excess of the otherwise applicable salary deferral limits. The limit on catch-up contributions for 2023 is $7,500. The new law increases the limit for employees who have attained ages 60, 61, 62, and 63 to the greater of (1) $10,000 (indexed) or (2) 150% of the regular catch-up contribution.
Section 110: Student Loan Payments	401(k), 403(b), Gov't 457(b)	Allows plan sponsors to provide match contributions based on the combination of employee deferrals and qualified student loan payments. This can be adopted by any plan type with a deferral-based employer match. For purposes of non-discrimination testing, student loan payments are not included as deferrals for actual deferral percentage ADP testing. The match regardless of deferral or student loan, counts towards actual contribution percentage (ACP). Employees participating in the student debt match can be tested inclusive of the population or independently, whichever is more favorable.
Section 113: Small Immediate Financial Incentives for Contributing to a Plan	401(k), 403(b)	In addition to providing matching contributions as a long-term incentive for employees to contribute to a 401(k) or 403(b) plan, this provision would allow incentives beyond matching, such as a gift card in a small amount (cannot exceed $250 in value).

SECURE 2.0 Optional Provisions –Appendix March 2024

Section 115: Withdrawals for Emergency Expenses	401(a) PS, 401(k), MP, 403(b), Gov't 457(b)	Allows retirement plans to permit participants to self-certify to request distributions for unforeseeable or immediate financial needs for necessary personal or family emergency expenses. For more information, see the SECURE 2.0 Guide The distribution is not subject to the 10% additional tax on early distributions. Withdrawals are limited to one per calendar year for the lesser of $1,000 (this limit is not indexed for inflation) or the vested account balance in excess of $1,000 from all eligible retirement plans, which includes IRAs. All plans that are part of the group of companies under common control are combined for purposes of the dollar limit. A participant cannot request another withdrawal for the following three calendar years unless they repay the full amount of their withdrawal or make deferral contributions equal to the amount of their withdrawal.
Section 120: Auto Portability	Transfers from IRAs (established under Code 401(a)(31) (B)(i) to 401(a) PS, 401(k), MP, 403(b), Gov't 457(b))	Creates a statutory prohibited transaction exemption under ERISA to facilitate the automatic portability of a participant's default IRA (established in connection with a mandatory distribution from a former employer's plan) into the participant's new employer's retirement plan, unless the participant affirmatively elects otherwise.

SECURE 2.0 Optional Provisions –Appendix March 2024

Section 125: Long-Term, Part-Time Eligibility	401(k), 403(b)	For the plan year beginning in 2024 for 401(k) plans: Service prior to 2021 is disregarded for vesting purposes so that the eligibility and vesting service requirements are harmonized. This change means that 401(k) plans in effect before 2021 will be subject to the three-year eligibility service requirement for the 2024 plan year and the vesting service before 2021 will be disregarded. The three-year eligibility requirement will be reduced to two years beginning with the 2025 plan year. For plan years beginning in 2025 for 401(k) and 403(b) plans subject to ERISA: 401(k) Plans: Expands plan eligibility for long-term, part-time workers after two years of service, except in the case of collectively bargained plans. Employers maintaining a 401(k) plan may need a dual eligibility requirement under which an employee must complete either a one-year of service requirement (1,000 hours of service during the 12-month eligibility service computation period) or two consecutive years of service where the employee completes at least 500 hours of service in a 12-month eligibility service computation period. Service prior to 2023 is disregarded for vesting purposes so that the eligibility and vesting service requirements are harmonized. This does not change the other requirements that an employer can determine if they want to offer any long-term, part-time employees any employer contributions and/or include them in certain nondiscrimination tests. 403(b) Plans subject to ERISA: This provision also extends the long-term, part-time coverage rules to 403(b) plans that are subject to ERISA.

SECURE 2.0 Optional Provisions –Appendix March 2024

Section 311: Repayment of Qualified Birth or Adoption Distribution is Limited to Three Years	401(a) PS, 401(k), 403(b), Gov't 457(b)	Provides that qualified birth or adoption distributions (QBOAD) may be made in an amount up to $5,000 per child from employer plans and/or IRAs. The distribution is not subject to the 10% early withdrawal penalty. The distribution must be made within one year of the birth of the child or the finalization of the adoption. The individual may repay a qualified birth or adoption distribution as a rollover contribution to the plan or IRA from which the QBOAD was originally distributed from within three years.

SECURE 2.0 Optional Provisions –Appendix March 2024

Section 312: Self-certification of Hardship and Unforeseeable Emergency Distributions	401(k), 403(b), Gov't 457(b)	Hardship Distributions: Permits 401(k) and 403(b) plan administrators to rely on an employee's self-certification (unless they have knowledge to the contrary) of an immediate and heavy financial need and that it is not in excess of the amount required to satisfy the need that a distribution is being made on account of one of the seven safe harbor hardship withdrawal reasons. A plan administrator is not required to substantiate the hardship by collecting source documents. Unforeseeable Emergency Distributions: Permits administrators of governmental 457(b) plans to rely on an employee's certification (unless they have knowledge to the contrary) that the employee is faced with an unforeseeable emergency of a type that is described in the IRS regulations, the amount of the distribution is not in excess of the amount reasonably necessary to satisfy the emergency need, and the employee has no alternative means reasonably available to satisfy such emergency need. A plan administrator is not required to substantiate the unforeseeable emergency by collecting source documents.

SECURE 2.0 Optional Provisions –Appendix March 2024

Section 314: Eligible Distributions for Domestic Abuse Victims	401(a) PS, 401(k), 403(b), Gov't 457(b)	Allows retirement plans to permit participants who are victims of domestic abuse to self-certify their status and request a distribution for up to the lesser of 10,000, indexed for inflation, or 50% of the participant's vested account. The distribution is not subject to the 10% additional tax on early distributions. A participant can repay the withdrawn money from the retirement plan within three years.
Section 320: Disclosures for Eligible Unenrolled Participants	401(a) PS, 401(k), MP, 403(b)	Eliminates the requirement to send certain plan disclosures to employees who are eligible but have elected not to participate in the plan (unenrolled participants who received all required notices, including the summary plan description, in connection with initial eligibility under the plan). An annual reminder notice is required.

SECURE 2.0 Optional Provisions –Appendix March 2024

Section 331: Withdrawals for Federally Declared Disasters	401(a) PS, 401(k), MP, 403(b), Gov't 457(b)	Distributions: Provides permanent rules relating to the use of retirement funds in the case of qualified federally declared disasters. Qualified individuals' principal place of residence during the incident period of any qualified disaster must be located in the disaster area and they must have sustained an economic loss because of the disaster. Allows up to $22,000 in total to be distributed from all retirement plans that are part of the same controlled group of companies and/or IRAs to qualified individuals. The distributions are not subject to the 10% additional tax on early distributions and the income may be reported over three years on their federal income tax returns. Distributions can be repaid to a tax preferred retirement account. Additionally, amounts distributed prior to the disaster to purchase a home can be recontributed. Loans: A plan sponsor is permitted to allow (1) a larger amount to be borrowed from a participant (lesser of 100% of the vested account balance or $100,000 reduced by the highest outstanding loan balance during the last 12 months) by qualified individuals and/or (2) loan payment deferment to give the participant additional time for repayment of their loans. The loan limit is for all retirement plans that are part of the controlled group of companies.

SECURE 2.0 Optional Provisions –Appendix March 2024

Section 602: Hardship Withdrawal Rules for 403(b) Plans	403(b)	Harmonizes the 403(b) plan and 401(k) plan hardship withdrawal rules by permitting 403(b) plan participants to receive hardship distributions from (1) salary reduction contributions; (2) QNECs; (3) QMACs; and (4) the earnings on salary reduction contributions, QNECs, and QMACs, regardless of whether the amounts are held in a 403(b)(1) annuity contract or a 403(b)(7) custodial account. Confirms that 403(b) plan participants are not required to take available loans before obtaining a hardship distribution.
Section 603: Age 50 Catch-Up Contributions Must Be Roth for Certain Participants	401(k), 403(b), Gov't 457(b)	If age 50 catch-up contributions are permitted under the plan, then the contributions must be made on a Roth basis for employees whose wages from the same employer (as defined for Social Security FICA tax purposes) were greater than $145,000 (indexed) in the prior calendar year.
Section 604: Participants May Elect Roth Treatment for Matching and Nonelective Contributions	401(a), 401(k), 403(b), Gov't 457(b)	Employers may permit employees to elect all or some of their matching and nonelective contributions to be treated as Roth contributions.

Plan Administration

Financial Benefits to the ACC

The plan pays about 65% of the total cost of staff, overhead, travel, etc. for the actual administrative and operating costs of the plan.

The total cost of staff, benefits, rent, electricity, etc. is $122K. The plan paid $80K last year. The ACC absorbs the rest of the expenses.

Why are the challenges of having the RPB and ACC Retirement Plan within URJ congregations?

The RPB requires all contributions be prepaid at the start of the fiscal year.

ACC had few contributions for a long time but those who did it tended to work for congregations where RPB participants also did it.

Members of the ACC and RPB send funds the same way.

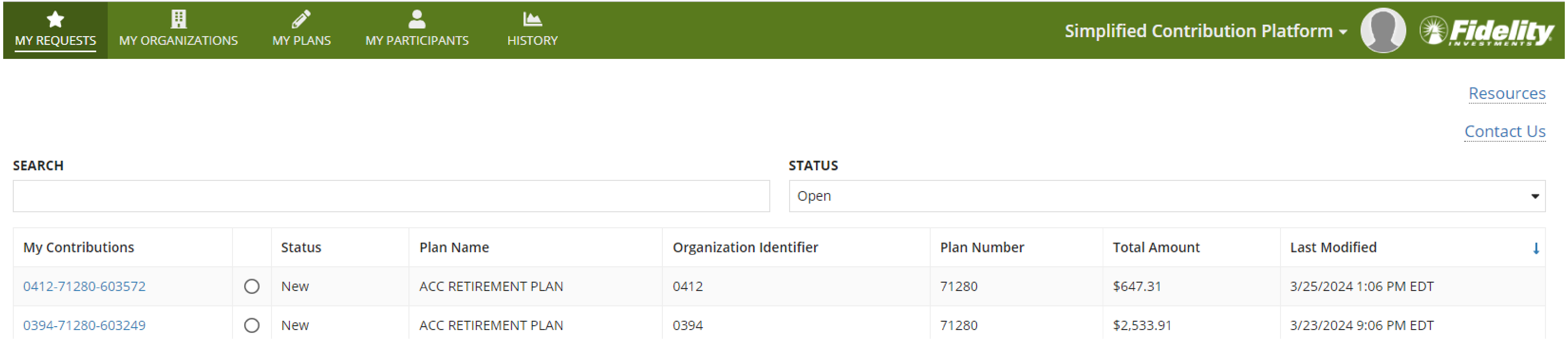
RPB recently made upgrades to automate their process.

Salary Deferrals: Issues

- Salary deferrals can't be pre-paid.
  - They can only be contributed after salary is earned.
  - Must be made within 3 days of payroll.
  - Are contributed in a calendar year.
- Congregation turn over and lack of training.
- Bookkeepers with little understanding of payroll rules or retirement plans.
- Bookkeeping services are often ill-equipped to manage the employee, and employer contributions.

Salary Deferrals: Solutions

- Simplified Contribution Platform (SCP)
- A user-friendly and intuitive platform.
  - Congregations can set up a single contribution or schedule multiple contributions.
  - ACC recommends congregations set up a 3-month or a 6-month period of salary deferral entries.



Salary Deferrals: Solutions

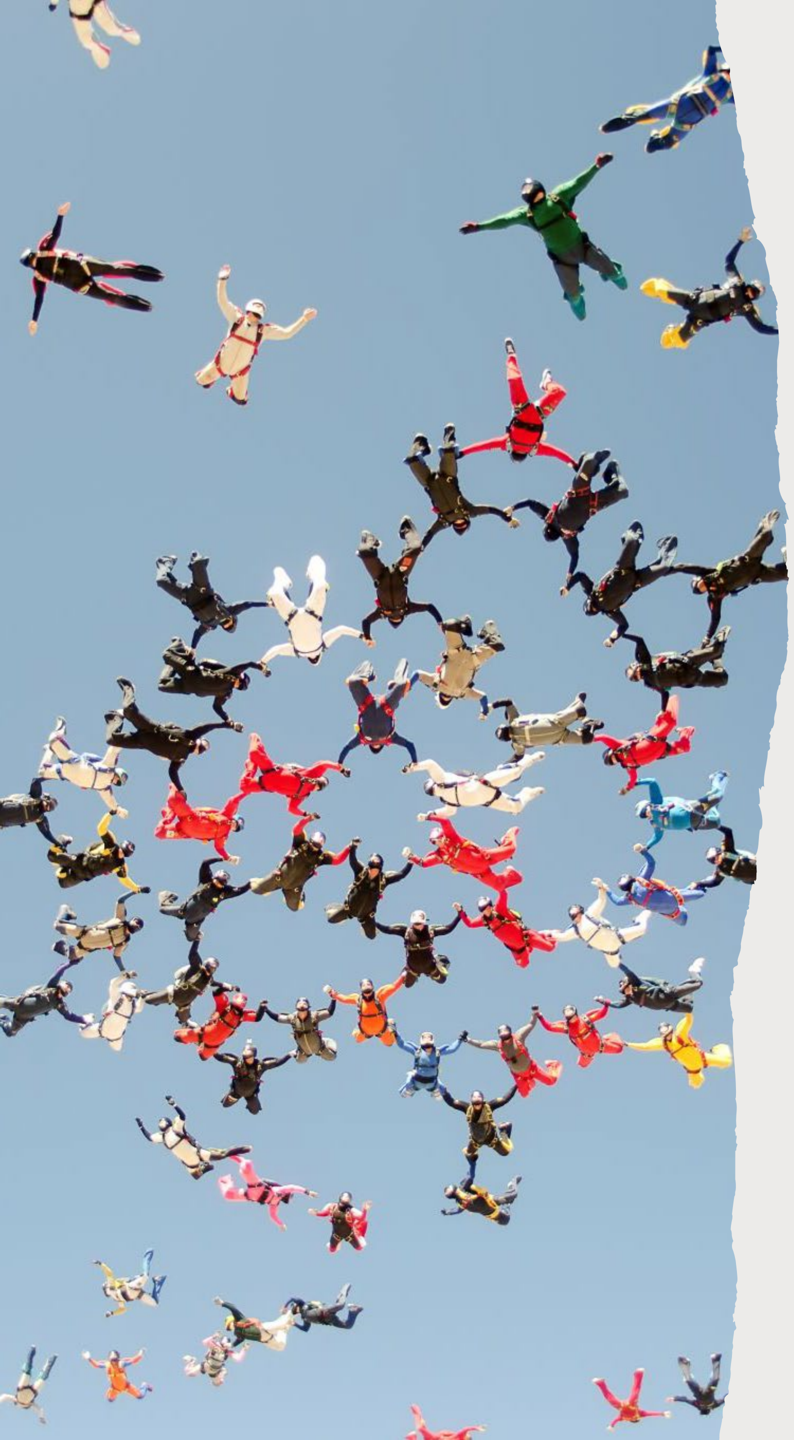
- Updated calculations work sheets have been created.
- ACC staff working with members and congregations to fix issues.
- Formal training for congregation staff.

Administrative Solutions

- Simplified Contribution Platform (SCP)
- Plan Sponsor Webstation (PSW)
- Fidelity works to improve the system for their Faith Based clients.
- To invest in the software overlay is expensive.
- 6 years ago, the initial design was about $50K with annual licensing of $15K.

Administrative - Outsourcing

- The plan can be administered by:
  - The plan,
  - The plan sponsor, or;
  - A third party.
- Someone needs to serve as the intermediary to create and manage the divisions, the bank accounts, the participants, etc.
  - Because each congregation makes their own contributions, Fidelity is not equipped to manage that process.
- Work is outsourced to Fidelity as much as possible.



Administrative: Resources

- Some Church Benefits Association colleagues enlist third party organizations to run their benefits programs.
- Church Alliance gives legal guidance to member organizations.
- Buying collations for some products in the healthcare industry.
- Those who do not have mission/faith requirements would be happy to have us merge into their plans. The functionality is similar when the congregations look at it. They still have to make the contributions to someone.
- Shared costs with the RPB.
    - Attorney
    - Talks regarding merging with the RPB.
        - Eligibility issues currently make that impossible.
        - Their fee structure and services are also much different from ours.

Fidelity Support and Resources

- Promoting Fidelity tools to our participants.
  - SCP
  - Net Benefits
  - PSW
- Our communication consultant, Kirby and Erik personalize pieces for our members.
- Working one-on-one with our plan's expert investment person, Stephen Maloney.

Investment Strategy

Investment Strategy

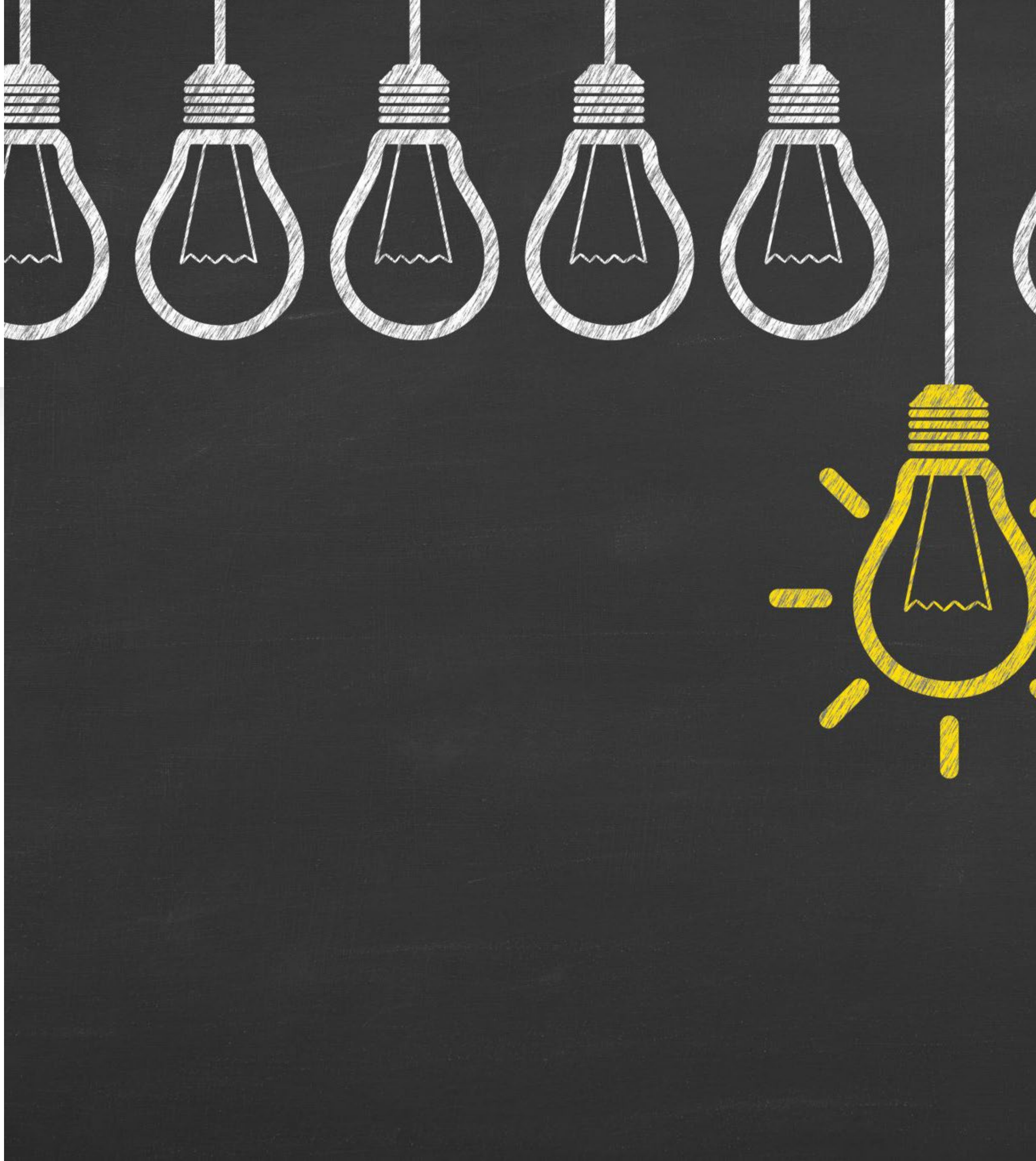
- Discussions about "socially responsible" funds?
  - Yes. To date the trustees have not asked Fidelity to provide options to add any socially responsible funds to the line up.
- Copy of the IPS included as a link in the website library?
  - No
- Default Funds
  - 22 plan participants have never changed their investment from the default
  - The trustees have historically felt it was in their best fiduciary interest to go with the most conservative option
  - QDIA Protections (Safe Harbor for plan sponsors)

CSA Fossil Fuel Divestment Resolution

- The Commission on Social Action: addressing the climate crisis through investment strategies.
- Implement a targeted combination of divestment, shareholder engagement, and adjustment/redirection of holdings; including:
    - Divestment
    - Engagement
    - Adjustment
    - Redirecting investment
- Engage in assessment, monitoring, and annually reporting progress.

CSA Fossil Fuel Divestment Resolution
Exception for ACC Plan and RPB

- Recognizes 403(b)(9) multiple employer defined contribution church plans, are stewards of others' money and therefore have certain fiduciary obligations and limitations.
  - Offering a menu of investment options to meet the diverse needs of their participants
  - Not offering investment advice.
- Jewish values are considered whenever feasible and may be incorporated into investment strategies when possible.



Fidelity®
INVESTMENTS

Fidelity Questions

- Meeting reports
  - https://www.accantors.org/member-quick-links/retirement-trustees
  - Documents going back a few years
  - Email address will get into the website
- Kevin Erickson – Relationship manager
  - Tax-Exempt Market (TEM)
  - Works with faith based (church plants) or Taft-Harley plans
- Joe Slonek – VP, Investment Strategist, Workplace Investing
- Erik Sims – Communications Consultant
- Fidelity fees are posted in the Q3 fee report from 2023 on the website.