



Roth 403(b) Fact Sheet

Since January 1, 2006, retirement plan sponsors have been able to include a new type of retirement account, the Roth 403(b). This new account works in tandem with a traditional 403(b) to provide retirement plan participants further flexibility in their **Future-Funded Ministry™** planning.

What is a Roth 403(b)?

- Contributions can be made After-Tax like a Roth IRA
- Contributions and earnings can be distributed Tax Free, subject to a five year minimum holding period and normal Roth age guidelines
- Contributions to Roth 403(b) are not subject to same income level limitations as regular Roth accounts
- Roth 403(b) does not have restrictions against foreign earned income as do Roth IRAs

Who should consider utilizing a Roth 403(b)?

- All 501(c)(3) ministry organizations, especially Missionary Organizations

Why is a Roth 403(b) such a great opportunity for ministries?

- All ministries have employees that would benefit from the future tax savings
- This is often the best retirement planning option for Missionaries
- Combination of 403(b) and Roth 403(b) gives your employees the greatest flexibility in planning for their Future Funded Ministry

How does our Ministry get a Roth 403(b)?

- The Ministry has to agree to offer a Roth 403(b)
- Your retirement plan documents need updating to reflect Roth 403(b) option
- The ministry payroll system will need to be updated for Roth 403(b) contributions
- Ministry employees need to be educated with how to incorporate the Roth 403(b) into their retirement planning
- A re-enrollment will be done to engage the ministry employees into the Roth 403(b) plan and to complete all necessary paperwork

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