



GuideStone®
FINANCIAL RESOURCES
of the Southern Baptist Convention

Payment Options

Retirement Benefit

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Choosing your benefit payment option

General considerations

Information in this brochure will help you understand the payment options and the retirement benefit estimate(s) you requested from GuideStone.

This brochure accompanies the *Benefit Estimate Illustration* labeled **Contribution Accounts Accumulation Benefit** for your 403(b)(9) retirement plan.

This brochure does not discuss benefits from other retirement plans you may have with GuideStone, nor does it discuss disability retirement benefits. If you have requested estimates from other plans or disability retirement benefit estimates, other brochures are provided to explain those illustrations.

Frequently, application forms are included with this brochure. However, if you did not ask for forms and requested estimates based on a benefit effective date more than a year in the future, applications are not enclosed. Call **1-888-98-GUIDE** (1-888-984-8433) to request application forms.

A section of this brochure, *How to apply for benefits*, gives general step-by-step instructions for completing applications. We recommend that you read this entire brochure before you start completing the application. This brochure offers information that will help you choose the best payment option for your situation.

Variety of benefit payment options from which to choose

The plans provide several payment options to meet participants' varying retirement income needs. Your benefit estimate may illustrate only a few options. Call GuideStone to determine if other options and variations described in this brochure are available to you.

Employer Contribution Accounts

In some instances, payment options available from your Employer Contribution Account may be limited. **Check with your human resources or business office to find out the provisions of your employer's plan.**

Questions?

Call our toll-free number: 1-888-98-GUIDE (1-888-984-8433).

In most cases, you may contact GuideStone directly to discuss benefit payment options. If applicable, you may also contact your employer's human resources or business office.

When choosing your benefit payment option, consider:

- Your age and, if married, your spouse's age.
- Your spouse's retirement income, if any.
- Other assets (savings and investments).
- Your health and your spouse's health.
- Living expenses (food, clothing, housing, auto, insurance, etc.).
- Amount of debt remaining at retirement and the time period it will take to pay off each of these items.
- Your Social Security benefits.
- Prospects of earning additional income (Remember additional earnings could lower your Social Security benefits. Check with your local Social Security Administration office for additional information.)
- Your retirement goals (travel, hobbies, etc.).
- Family obligations (dependent child, parent).
- Inflation.
- Estate plans.

Common benefit payment option variations

You may choose a benefit payment option from those listed in this brochure if the option is permitted under the terms of your retirement plan. The benefit payment options you select must also meet Internal Revenue Service requirements.

Please review all options carefully. Once a lifetime annuity or fixed period benefit has been established, you **cannot** change your benefit to another payment option. Most benefit payment options fall into three broad categories:

- Lifetime annuity benefits.
- Fixed period benefits.
- Installment benefits.

Lifetime annuity benefits: how are they calculated?

Lifetime annuity benefits are payable for either one or two lives, however long or short those lives may be. A lifetime annuity benefit with a guarantee period is payable for either one or two lives and payments are guaranteed for a set period even if death occurs earlier. The amount is determined by the following variables: the amount of the account balance used to establish the benefit, the funding rate at the time your benefit is established, your age, whether the payment option selected is a single life or a joint life annuity, and any guarantee period chosen. If you select a joint life annuity, the amount will also be based on the age of your contingent annuitant and the percentage of your benefit which is payable to the contingent annuitant.

Fixed period benefits: how are they calculated?

A Fixed Period Benefit is payable for a specified period. The amount is determined by the following variables: the length of payments, the frequency of payments, the amount of the account balance used to establish the benefit, and the funding rate at the time the benefit is established.

Installment benefits: how are they calculated?

An installment benefit is payable for a specified period of time, until the funds are exhausted or until written notification to cancel this payment option is received. The monthly benefit is determined by the amount, percentage or period designated on the retirement benefit application. This benefit may be changed or discontinued at your request.

Annuity benefit type: fixed dollar and variable annuity benefits

You may elect to take lifetime annuity benefits as either a fixed dollar annuity, a variable annuity, or a combination of the two. A fixed period benefit is available only as a fixed dollar annuity.

- A **fixed dollar annuity benefit** provides a benefit that is a specific, set dollar amount.
- A **variable annuity benefit** provides a benefit dollar amount that varies from year to year. Each January 1, the benefit amount may increase or decrease to reflect the earnings and mortality experience of the variable annuity fund in the prior year.

You can choose to receive a portion or all of your benefit as a variable annuity benefit. You will indicate the percentage of your contributions accounts you wish to receive as a variable annuity benefit. Any remaining amounts will be used to pay a fixed dollar annuity benefit. Election of a variable annuity benefit affects the amount of your benefit, but will not affect the manner in which you receive benefits.

Contribution Accounts Accumulation Benefit payment options

The following pages discuss each of the payment options for your Contribution Accounts Accumulation Benefit. Please see *How to apply for benefits* for general step-by-step instructions for completing the application.

Joint Life Annuity Benefit

(*Payment option A* on your *Retirement Benefit Application*.)

What does this payment option provide?

The Joint Life Annuity Benefit will provide you a monthly benefit payable for life. At your death, the survivor feature takes effect. If your contingent annuitant (normally your spouse) survives you, the contingent annuitant will receive a monthly benefit payable for life. The amount of this survivor benefit is determined by the percentage of your benefit you choose when completing the *Retirement Benefit Application*. You may choose any percentage up to 100% of your benefit as a continued benefit to your contingent annuitant at your death. Under this option, all benefits cease once you and your contingent annuitant die.

For example:

Bill, age 65, is retiring and wants the assurance of a monthly income for life for himself and his wife, Mary, who is 63. Bill names Mary as his contingent annuitant on the application. Next he must determine the percentage of his benefit that is to continue as a survivor benefit for Mary. Let's look at two options:

- *100% Joint Life Annuity Benefit — Based on his accumulations and actuarial factors, this option will pay Bill a monthly benefit of \$461 for his life. Upon his death, Mary will continue to receive a lifetime benefit of \$461 — 100% of Bill's monthly benefit.*
- *50% Joint Life Annuity Benefit — Based on his accumulations and actuarial factors, this option will pay Bill a greater monthly benefit of \$500 for his life. However, upon his death, Mary will receive a 50% survivor benefit of \$250 for her life.*

What steps do you need to take in choosing this option?

Complete the *Retirement Benefit Application*:

1. Complete the Participant information at the top of the application.
2. In Section 2, Retirement plans, specify the plans you want to apply to the payment option selected on the *Retirement Benefit Application*.
3. In Section 3, Payment options, check the box beside payment option A, **Joint Life Annuity Benefit**.
4. Indicate in the blank the percentage of your benefit you want to continue to your contingent annuitant. If you are married and do not choose a percentage of at least 50%, most plans require that your spouse complete Section 12, Spousal consent.
5. Also in Section 3, please read the information under the Variable Annuity Benefit heading. Mark the box if you wish to receive a variable annuity benefit and indicate the percentage of your contribution accounts you wish to receive as a variable annuity benefit.
6. In Section 5, designate your contingent annuitant. If you designate someone other than your spouse, most plans require that your spouse complete Section 12, Spousal consent.
7. Most plans require that your spouse complete Section 12, Spousal consent, unless you name your spouse as contingent annuitant in Section 5 and choose in Section 3 at least 50% of your payment to continue to your contingent annuitant. Your spouse must sign this consent and it must be notarized.
8. Sign and date the application. (Note: The application cannot be signed more than 90 days prior to the date the benefit payments begin.)

Joint Life Annuity Benefit with a Guarantee Period

(*Payment option B* on your *Retirement Benefit Application*.)

What does this payment option provide?

The Joint Life Annuity Benefit with a Guarantee Period will provide you a monthly benefit payable for life. At your death, the survivor feature takes effect. If your contingent annuitant (normally your spouse) survives you, the contingent annuitant will receive a monthly benefit payable for life. The amount of this survivor benefit is determined by the percentage of your benefit you choose when completing the *Retirement Benefit Application*. You may choose any percentage up to 100% of your benefit as a continued benefit to your contingent annuitant at your death.

Under this option, you also choose a guarantee period on the *Retirement Benefit Application*. A benefit will be paid for the remainder of the guarantee period if you and your contingent annuitant both die before the end of the guarantee period. If you die first, the benefit will be paid to the beneficiary named by the contingent annuitant. If your contingent annuitant dies first, the benefit will be paid to the beneficiary you designate. The amount of the monthly benefit for the remainder of the guarantee period will be the same as the contingent annuitant's survivor benefit. You may choose a guarantee period such as 10, 15 or 20 years, etc. However, the maximum guarantee period depends on life expectancy and is determined under IRS regulations. The beneficiary has the option to receive the equivalent of the remaining payments in a single sum payment.

For example:

Bill, age 65, is retiring and wants the assurance of a monthly income for life for himself and his wife, Mary, who is 63. However, he also wants to make sure payments continue for at least 10 years. Bill names Mary as his contingent annuitant on the application. Next he must determine the percentage of his benefit which is to continue as a survivor benefit for Mary. Let's look at two options:

- *100% Joint Life Annuity Benefit with a 10-Year Guarantee* — Based on his accumulations and actuarial factors, this option will pay Bill a monthly benefit of \$350 for his life. Bill dies after receiving two years of payments. Mary continues to receive a lifetime benefit of \$350 — 100% of Bill’s monthly benefit. If Mary dies three years later, Mary’s beneficiary would receive \$350 monthly for the five years remaining in the guarantee period or the equivalent in a single sum payment.
- *50% Joint Life Annuity Benefit with a 10-Year Guarantee* — Based on his accumulations and actuarial factors, this option will pay Bill a greater monthly benefit of \$382 for his life. However, upon his death after two years, Mary will receive a 50% survivor benefit of \$191 for life. If Mary dies three years later, Mary’s beneficiary would receive \$191 for the five years remaining in the guarantee period or the equivalent in a single sum payment.

What steps do you need to take in choosing this option?

Complete the *Retirement Benefit Application*:

1. Complete the Participant information at the top of the application.
2. In Section 2, Retirement plans, specify the plans you want to apply to the payment option selected on the *Retirement Benefit Application*.
3. In Section 3, Payment options, mark the box beside payment option B, **Joint Life Annuity Benefit with a Guarantee Period**.
4. Indicate in the blank the percentage of your benefit you want as the survivor benefit to your contingent annuitant. If you are married and do not choose a percentage of at least 50%, most plans require that your spouse complete Section 12, Spousal consent.
5. In the same section, circle the guarantee period that you desire: 10, 15, or 20 years, or fill in the blank with the number of years to be guaranteed.
6. Also in Section 3, please read the information under the Variable Annuity Benefit heading. Mark the box if you wish to receive a variable annuity benefit, indicating the portion of your contribution accounts you wish to receive as a variable annuity benefit.

7. In Section 5, designate your contingent annuitant. If you designate someone other than your spouse, most plans require that your spouse complete Section 12, Spousal consent.
8. Complete the enclosed *Beneficiary Designation Form* if you do not have a valid *Beneficiary Designation Form* on file at GuideStone. Refer to the rules discussed in Question 12 on Page 22.
9. Most plans require that your spouse complete Section 12, Spousal consent, unless you name your spouse as contingent annuitant in Section 5 and choose in Section 3 at least 50% of your payment to continue to your contingent annuitant. Your spouse must sign this consent and your spouse's signature must be notarized.
10. Sign and date the application. (Note: The application cannot be signed more than 90 days prior to the date the benefit payments begin.)

Single Life Annuity Benefit

(*Payment option C* on your *Retirement Benefit Application*.)

What does this payment option provide?

The Single Life Annuity Benefit will provide you a monthly benefit payable for life. At your death, benefit payments stop.

For example:

Bill, age 65, is single and wants the assurance of a monthly income for life. Bill selects a Single Life Annuity Benefit. Based on his accumulations and actuarial factors, this option will pay Bill a monthly benefit of \$500 for his life. At his death, no additional benefits will be paid.

What steps do you need to take in choosing this option?

Complete the *Retirement Benefit Application*:

1. Complete the Participant information at the top of the application.
2. In Section 2, Retirement plans, specify the plans you want to apply to the payment option selected on the *Retirement Benefit Application*.

3. In Section 3, Payment options, check the box beside payment option C, **Single Life Annuity Benefit**. If you are married, most plans require that your spouse complete Section 12, Spousal consent.
4. Also in Section 3, please read the information under the Variable Annuity Benefit heading. Check the box if you wish to receive a variable annuity benefit, indicating the portion of your contribution accounts you wish to receive as a variable annuity benefit.
5. If you are married, most plans require that your spouse complete Section 12, Spousal consent. Your spouse must sign this consent and your spouse's signature must be notarized.
6. Sign and date the application. (Note: The application cannot be signed more than 90 days prior to the date the benefit payments begin.)

Single Life Annuity Benefit with a Guarantee Period

(Payment option D on your Retirement Benefit Application.)

What does this payment option provide?

The Single Life Annuity Benefit with a Guarantee Period will provide you a monthly benefit payable for life. Under this option, you choose a guarantee period on the *Retirement Benefit Application*. You may choose a guarantee period such as 10, 15 or 20 years, etc. However, the maximum guarantee period depends on life expectancy and is determined under IRS regulations. If you die before the guarantee period ends, a benefit will be paid to your beneficiary for the remainder of the guarantee period. The amount will be the same as your benefit. The beneficiary has the option to receive the equivalent of the remaining payments in a single sum payment.

For example:

Beverly, age 65, is retiring and wants the assurance of a monthly income for her life. However, she also wants to make sure payments continue for at least 15 years. Beverly is single and designates her sister, Jane, as beneficiary.

Beverly selects a *Single Life Annuity Benefit with a 15-Year Guarantee*. She receives a monthly benefit of \$477 for her life. If she dies after receiving seven years of payments, her sister Jane will receive \$477 monthly for the eight years remaining in the guarantee period or the equivalent in a single sum payment.

What steps do you need to take in choosing this option?

Complete the *Retirement Benefit Application*:

1. Complete the Participant information at the top of the application.
2. In Section 2, Retirement plans, specify the plans you want to apply to the payment option selected on the *Retirement Benefit Application*.
3. In Section 3, Payment options, check the box beside payment option D, **Single Life Annuity Benefit with a Guarantee Period**. If you are married, most plans require that your spouse complete Section 12, Spousal consent.
4. In the same section, circle the guarantee period that you desire: 10, 15 or 20 years, or fill in the blank with the number of years to be guaranteed.
5. Also in Section 3, please read the information under the Variable Annuity Benefit heading. Mark the box if you wish to receive a variable annuity benefit, indicating the portion of your contribution accounts you wish to receive as a variable annuity benefit.
6. Complete the enclosed *Beneficiary Designation Form* if you do not have a valid *Beneficiary Designation Form* on file at GuideStone. Refer to the rules discussed in Question 12 on page 22.
7. If you are married, most plans require that your spouse complete Section 12, Spousal consent. Your spouse must sign this consent and your spouse's signature must be notarized.
8. Sign and date the application. (Note: The application cannot be signed more than 90 days prior to the date the benefit payments begin.)

Fixed Period Benefit

(Payment option E on your Retirement Benefit Application.)

What does this payment option provide?

The Fixed Period Benefit will provide you all or part of your benefit for a fixed period of time. The total amount required to fund the Fixed Period Benefit for the time period you choose is transferred from your assets in your retirement account to establish your Fixed Period Benefit. At the end of each month, a distribution will be made from the benefit reserves to provide you a monthly Fixed Period Benefit check. At the end of the fixed period, no other benefits are payable from the portion of your account used to establish this benefit.

The Fixed Period Benefit payments are paid in the amount and/or for the payment period you choose. These benefits stop at the end of the payment period. The payment period must meet Internal Revenue Service requirements. If you die before the fixed period ends, your beneficiary will receive payments in the same amount for the remainder of the payment period. The beneficiary has the option to receive the equivalent of the remaining payments in a single sum payment. If you and your beneficiary both die before the fixed period ends, the beneficiary of whoever dies last will receive a single sum payment of the equivalent of any remaining payments. Your employer's plan may limit a Fixed Period Benefit to only a portion of your vested Employer Contribution Account.

For example:

Bill, age 65, is single and is retiring. Bill decides not to receive a life annuity benefit at this time. Instead, he wants to use only part of his account to provide initial retirement income.

Bill selects a Fixed Period Benefit with equal monthly payments of \$1,000 for 13 months. Bill designates John as the beneficiary for this benefit. At the end of the 13-month period, Bill must complete new forms to receive any additional retirement benefit payments.

If Bill dies after receiving only five months of this benefit, John, his beneficiary for this benefit, will receive \$1,000 monthly for the remaining eight months in the fixed period. Also, Sally, Bill's designated beneficiary for his remaining contributions accounts, will receive the balance remaining in Bill's accounts.

What steps do you need to take in choosing this option?

Complete the *Retirement Benefit Application*:

1. Complete the Participant information at the top of the application.
2. In Section 2, Retirement plans, specify the plans you want to apply to the payment option selected on the *Retirement Benefit Application*.
3. In Section 3, Payment options, check the box beside payment option E, **Fixed Period Benefit**. After marking payment option E, check one of the boxes to designate how you will receive your Fixed Period Benefit and provide the additional information.
4. Complete the enclosed *Beneficiary Designation Form* if you do not have a valid *Beneficiary Designation Form* on file at GuideStone. Refer to the rules discussed in Question 12 on page 22.
5. You must complete Section 8, Distribution election, if the Fixed Period Benefit is payable for less than 10 years.
6. If you are married, most plans require that your spouse complete Section 12, Spousal consent. Your spouse must sign this consent and it must be notarized.
7. Sign and date the application. (Note: The application cannot be signed more than 90 days prior to the date the benefit payments begin.)

Installment Benefit

(*Payment option F* on your *Retirement Benefit Application*.)

What does this payment option provide?

An Installment Benefit will provide you with monthly income without committing all or a portion of your accumulations to establish an annuity payment option. This benefit allows you to continue to make

investment elections with respect to all remaining accumulations. At the end of each month, a distribution of accumulations will provide a monthly benefit check.

Installment Benefits are payable for a specified period of time, until the funds are exhausted or until written notification to cancel this payment option is received. You can change your Installment Benefit at any time by completing an *Installment Benefit Change Form*.

To be eligible for an Installment Benefit, your monthly benefit payment must be a minimum of \$50 (see information below). Your employer's plan may limit an Installment Benefit to only a portion of your vested Employer Contribution Account.

There are three different ways to receive an Installment Benefit:

1. **Equal payments of a specified amount** — This installment method will provide equal monthly benefits of the amount requested. The benefit amount requested for this installment method must be equal to or greater than \$50 per month. This installment method will be considered an “eligible rollover distribution” **only** if the amount requested appears to be payable in less than ten years. Eligible rollover distributions are subject to mandatory 20% withholding.
2. **Percentage of total vested Contribution Accounts** — This installment method will provide a monthly benefit that varies each month. The benefit amount is calculated by multiplying the monthly percentage by the total account value. The monthly percentage is the annual rate indicated on the application divided by twelve. This installment method will be considered an “eligible rollover distribution” **only** if the annual percentage requested is greater than 14%.
3. **Paid out over specified period of time** — Under this installment method, the benefit amount will vary each month. This benefit amount is calculated by dividing the total account value by the remaining number of payments. This installment method will be considered an “eligible rollover distribution” **only** if the payment period is less than ten years.

For example:

Bill, age 65, is single and is retiring. His total vested account value is \$100,000 on October 30. Bill decides not to receive an annuity benefit at this time. Instead, he chooses an Installment Benefit.

Below is a chart showing Bill’s benefits under each of the installment methods:

Method	Account Value	
	Initial Benefit Amount	Remaining After Initial Benefit Payment
Equal payments of \$1,000	\$1,000.00	\$99,000.00
6% (annualized) of total account	\$ 500.00	\$99,500.00
Paid out over 120 months	\$ 833.33	\$99,166.67

If Bill dies after receiving only five months of this benefit, Sally, his designated beneficiary for his remaining contribution accounts, will receive the balance remaining in Bill’s accounts. Sally may have the option of beginning a benefit of her own.

What steps do you need to take in choosing this option?

Complete the *Retirement Benefit Application*:

1. Complete the Participant information at the top of the application.
2. In Section 2, Retirement plans, specify the plans you want to apply to the payment option selected on the *Retirement Benefit Application*.
3. In Section 3, Payment options, check the box beside payment option F, **Installment Benefit**. After marking payment option F, check one of the boxes to designate how you will receive your Installment Benefit and provide the additional information. At the top of Section 3, enter the Month and Year for your Benefit Effective Date. All Benefit Effective Dates are on the **first** of the month and the payments are made at the **end** of the month. Retroactive payments cannot be made since Installment Benefits are based on current account balances.
4. Complete the enclosed *Beneficiary Designation Form* if you do not have a valid *Beneficiary Designation Form* on file at GuideStone. Refer to the rules discussed in Question 12 on page 22.

5. Complete Section 8, Distribution election, if: 1) the dollar amount you requested could reasonably deplete your account balance in less than 10 years; or 2) you designated a percentage greater than 14%; or 3) if the specified period of time selected is less than 10 years.
6. If you are married, most plans require that your spouse complete Section 12, Spousal consent. Your spouse must sign this consent and it must be notarized.
7. Sign and date the application. (Note: The application cannot be signed more than 90 days prior to the date the benefit payments begin.)

Single Sum Benefit

(Payment option G on your Retirement Benefit Application, if specifically requested.)

What does this payment option provide?

A Single Sum Benefit provides all or part of your benefits to you in one payment. Your employer's plan may limit a Single Sum Benefit to only a portion of your vested Employer Contribution Account.

For example:

Helen, 65, is single and is retiring. She wants to receive a one-time payment of a portion of her contribution accounts. She wants to defer payment of the remaining benefits until a later time.

Helen selects a Single Sum Benefit of \$12,500, which represents 25% of her contribution accounts. When Helen wants to receive more of her account value, she must complete new forms to receive new benefits.

What steps do you need to take in choosing this option?

Complete the *Retirement Benefit Application*:

1. Complete the Participant information at the top of the application.
2. In Section 2, Retirement plans, specify the plans you want to apply to the payment option selected on the *Retirement Benefit Application*.

3. In Section 3, Payment options, check the box beside payment option G, **Single Sum Benefit**. After marking payment option G, check one of the boxes to indicate whether you will receive all or a portion of your vested contributions accounts. Fill in the amount or percentage of the portion of your accounts you want to receive as a single sum.
4. All or a part of your Single Sum Benefit is an eligible rollover distribution. Therefore, you must complete Section 8, Distribution election. See the *Special Tax Notice* for additional information.
5. If you are married, most plans require that your spouse complete Section 12, Spousal consent. Your spouse must sign this consent and it must be notarized.
6. Sign and date the application. (Note: The application cannot be signed more than 90 days prior to the date the benefit payments begin.)

Combination Benefit

What does this provide?

The Combination Benefit is a combination of two benefits, a lifetime annuity benefit, a Fixed Period Benefit and Installment Benefit, and/or a Single Sum Benefit. This option could be used to provide you a benefit of a portion of your contribution accounts as a single sum or Fixed Period Benefit and **all** of the remaining amounts as a lifetime annuity benefit.

The Fixed Period Benefit or Installment Benefit payments are paid in the amount and/or for the payment period you choose. These benefits stop at the end of the payment period. If you elect a Fixed Period Benefit and you die before the fixed period ends, your beneficiary will receive payments in the same amount for the remainder of the payment period. If you and your beneficiary both die before the fixed period ends, the beneficiary of whoever dies last will receive a single sum payment. This payment will be the equivalent of any remaining payments. Your employer's plan may limit a Fixed Period Benefit, Installment Benefit or Single Sum Benefit to only a portion of your vested Employer Contribu-

tion Account. In addition, IRS regulations may limit the period of time that you can receive a Fixed Period Benefit.

The lifetime annuity portion will be paid under the life annuity payment option A through D that you select. (See earlier discussion of those options.)

For example:

Betty, age 65, is single and is retiring. She wants to receive a Single Sum Benefit at retirement. She also wants a monthly income for life.

Betty selects a combination benefit and chooses to receive \$5,000 of her total contribution accounts balance as a Single Sum Benefit and the remainder of her balance as a Single Life Annuity Benefit. She receives a \$5,000 Single Sum Benefit and a monthly benefit of \$67 for her life. At her death, no additional benefits will be paid.

What steps do you need to take in choosing this option?

Complete the *Retirement Benefit Application*:

1. Complete the Participant information at the top of the application.
2. In Section 2, Retirement plans, specify the plan you want to apply to the payment options selected on the *Retirement Benefit Application*.

Single Sum Benefit/Life Annuity Benefit — Complete Section 3, Payment options. If you wish to receive a portion of the benefit in a Single Sum Benefit, check payment option G and designate the dollar amount or percentage you wish to receive. The remaining accumulations will be used for your life annuity benefit. Next, indicate how you will receive the life annuity portion of your benefit by checking payment option A, B, C or D. On earlier pages, this brochure discusses the life annuity benefit options A through D and gives detailed instructions for choosing these payment options. You must also complete Section 8, Distribution election.

Single Sum Benefit/Installment Benefit — Complete Section 3, Payment options. If you wish to receive a portion of the benefit in a Single Sum Benefit, check payment option G and designate the dollar amount or percentage you wish to receive. The remaining accumulations will be

used for your Installment Benefit. Next, indicate how you will receive the Installment Benefit portion of your election by checking payment option F and F.1, F.2, or F.3. On earlier pages, this brochure discusses the Installment Benefit options and gives detailed instructions for choosing each method. You must also complete Section 8, Distribution election.

Single Sum Benefit/Fixed Period Benefit — Complete Section 3, Payment options. If you wish to receive a portion of the benefit in a Fixed Period Benefit, check payment option E and Box E.1. Designate the dollar amount you wish to receive and the number of months. The remaining accumulations will be used for your Single Sum Benefit. Next, check Box H (Other Benefit Option) and write “remaining accumulations in a Single Sum Benefit”. You must also complete Section 8, Distribution election.

For other benefit option combinations, you should contact GuideStone for assistance in completing the Payment options section of the application.

3. If you are married, most plans require that your spouse complete Section 12, Spousal consent. Your spouse must sign this consent and your spouse’s signature must be notarized.
4. Sign and date the application. (Note: The application cannot be signed more than 90 days prior to the date the benefit payments begin.)

Questions commonly asked about retirement benefits

1. How early can I begin receiving my benefit?

Normally, you may begin receiving your accumulation benefit upon termination of service. Some employers may provide other early retirement dates.

2. When should I apply for benefits?

After you have received your *Benefit Estimate Illustration* and the forms necessary to apply for your benefits, you should return your completed forms to GuideStone at least 30 days before your benefit effective date.

3. If I retire on May 5, when can I expect to get my first benefit check?

If your benefit effective date is June 1, you can expect to receive your first benefit check at the end of June provided your completed applications are received at GuideStone before May 15.

4. Is my retirement benefit taxable?

Benefits provided by your employer and contributions you made through a salary reduction agreement, plus all earnings, are taxable, as are all earnings on tax-paid contributions. Benefits provided by tax-paid contributions are not taxable. In addition, none of these benefits are subject to Social Security tax.

5. Can I designate my retirement benefit as a housing allowance?

If you are an eligible retired minister for tax purposes, you may ask GuideStone to designate all or a portion of your retirement benefit as a housing allowance. A housing allowance can be designated for a benefit payment only when that payment relates to contributions made as a result of earnings from service as a minister. If you designate a percentage, the amount designated as housing will automatically increase if your benefit amount increases.

You must decide if you are a minister for tax purposes and how much you can exclude from income as a housing allowance. If you are eligible for a housing allowance, you can exclude from your gross income the least of these three amounts, subject to IRS rules: (1) the designated amount; (2) your actual eligible housing expenses; or (3) the annual fair rental value of your home, furnished, including utilities. You are responsible for documenting these expenses. If you ask GuideStone to designate more than you can exclude from income as a housing allowance, you must report the excess to the IRS. Ministers who receive retirement benefits but continue their service in the ministry will have to pay SECA taxes on the part of their retirement benefits designated as housing. Ministers must comply with other IRS rules about the housing allowance. If you have any questions about these rules, please consult your own tax advisor.

You can make or change a housing allowance designation at any time by completing a form. Contact GuideStone to get one. All requests for changes will apply to future benefit payments only and cannot be retroactive.

For more information about who is a minister for tax purposes, see our annual *Ministers Tax Guide* available on our Web site, www.GuideStone.org, or by calling **1-888-98-GUIDE** (1-888-984-8433). You will find more information in our brochure, *Ministerial Tax Issues*. Call the same number for a free copy.

6. I do not plan to retire at age 65. Must I begin receiving my retirement benefits then?

No. The law generally requires you to begin receiving retirement benefits by April 1 of the calendar year following the later of the year you reach age 70½ or the year you retire. You should contact GuideStone before attaining age 70½ for more information.

7. What happens to the money in my contributions accounts if I die before I retire?

The accumulated balance (all contributions and earnings) is payable to your designated beneficiary.

8. What happens to my retirement benefit if I return to work?

Your benefit will continue to be paid to you. Re-employment does not cause retirement benefits to stop.

9. What happens to the money in my contributions accounts if my designated beneficiary and I both die before I retire?

If none of the beneficiaries (primary or secondary) you have named are living, the balance in your account is paid to the beneficiaries designated under the plan.

10. Can I change the *Contingent Annuitant* of my Joint Life Annuity Benefit once I begin receiving my annuity?

No. All annuity benefits are irrevocable once established.

11. Can I change the *Beneficiary* of my Fixed Period Benefit or my Joint Life or Single Life Annuity Benefit with a Guarantee Period?

Yes. If you are married, your spouse's notarized consent may be required.

12. What other rules apply to a beneficiary designation?

Plan Provisions: When you die, if you have not designated a beneficiary or if no named beneficiary survives you, the plans provide who your beneficiary will be.

Spouse: If you are married, your spouse is automatically the sole primary beneficiary of your retirement benefits under most plans. If you change your marital status, notify GuideStone. If you marry after making a beneficiary designation, your marriage may **automatically invalidate** the prior beneficiary designation under the plan and your spouse may **automatically** be your primary beneficiary. This rule applies until you execute a new beneficiary designation. For most plans your spouse must consent if you name someone else as a primary beneficiary.

Minors: GuideStone cannot pay a death benefit directly to a minor. Generally, a probate court would have to appoint a guardian to receive and administer the death benefits for the minor.

Trusts: If you want to designate a trust as beneficiary, please contact your attorney for appropriate language. GuideStone will not be obligated to inquire into the terms of the trust agreement, will not be charged with knowledge of its terms, and is fully discharged of all liability regarding payment to the trustee. Designation of a trust as beneficiary may limit your payment options.

Organizations: If you designate your employer as beneficiary, you must designate a specific fund of the employer, such as a building fund. If you designate a non-profit organization as beneficiary, you must provide the full legal name and address of the non-profit organization. Designation of an organization as beneficiary may limit your payment options.

Estate: The wording to designate your estate as beneficiary is “my estate” or “the estate of (your name).” Designation of your estate as beneficiary may limit your payment options.

How to apply for benefits

What you need

- *Benefit Estimate Illustration* for Contribution Accounts Accumulation Benefit
- *GuideStone Retirement Benefit Application*
- *Beneficiary Designation Form* (if applicable)
- *IRS Form W-4P*
- *Special Tax Notice Regarding Plan Payments*

General information about completing forms

- These forms must be typed or completed in ink. The forms cannot be signed more than 90 days before the date your payments begin. Also, the benefit effective date cannot be retroactive more than 90 days before the date the forms are signed. In addition, the benefit effective date may not be before the day you retire.
- Allow a few days for the benefit records to be established from the date GuideStone receives the completed forms.
- Incomplete applications or applications with markouts or changes cannot be processed and will be returned.
- Return forms to: Benefit Administration, GuideStone Financial Resources of the Southern Baptist Convention, 2401 Cedar Springs Road, Dallas, TX 75201-1498.
- If you have other questions about the Contribution Accounts Accumulation Benefit, call our toll-free number, **1-888-98-GUIDE** (1-888-984-8433).

Before you complete the forms

- Evaluate each *Benefit Estimate Illustration* in light of your financial needs and other considerations that may affect your retirement security.
- Read the *Special Tax Notice Regarding Plan Payments*.
- Read through the forms.
- Determine the benefit payment option(s) you wish to select.

Completing the *Retirement Benefit Application*

- Complete Section 1, Participant information.
- Complete Section 2, Retirement plans, by specifying the plan(s) from which you wish to receive benefits under the payment option selected. You must complete multiple applications if you want different payment options for different plans.
- Complete Section 3, Payment options. Enter the month and year for your Benefit Effective Date. All Benefit Effective Dates are on the first of the

month. Refer to the section in this brochure that describes your payment option choice. That section includes step-by-step instructions for completing the Payment options section of the *Retirement Benefit Application*.

- Section 4, Housing allowance designation, applies **only** if you are a minister for tax purposes. This section must be completed if you want GuideStone to designate a portion or all of a benefit as a housing allowance.
- Section 5, Contingent Annuitant designation, must be completed if you elected payment option A or B.
- Section 6, Beneficiary designation, complete the enclosed *Beneficiary Designation Form* if you do not have a valid Beneficiary Designation Form on file at GuideStone.
- Section 7, Authorization for electronic direct deposit, must be completed to have your monthly benefit electronically deposited into your bank account. For more information about electronic direct deposit refer to the *Electronic Direct Deposit* brochure.
- Section 8, Distribution election, must be completed **only** if you choose a benefit payment option which is an **eligible rollover distribution**. Refer to the *Special Tax Notice Regarding Plan Payments* for information about **eligible rollover distributions**.
- Section 9, Federal income tax withholding, must be completed **only** if you choose a benefit payment option which is **not** an **eligible rollover distribution**. Refer to the *Special Tax Notice Regarding Plan Payments* for information about **eligible rollover distributions**.
- Section 10, State income tax withholding, must be completed if you are a resident in a state that has one of the following:
 - mandatory state income tax withholding; or,
 - mandatory state income tax withholding where the state allows you to opt out; or,
 - voluntary state income tax withholding where the state requires the payor to withhold only when you designate withholding.

- If you wish to designate a state as your state of residence for tax purposes, other than your address on record at GuideStone, please designate the state. **Refer to your state's Department of Revenue for additional information about state income tax withholding.**
- Section 11, Adopt An Annuitant deductions, must be completed **only** if you choose to have a portion of your benefit deducted as a donation to the Adopt An Annuitant Program. This deduction does not change the taxability of your benefit payment.
- Section 12, Spousal consent, most plans require that this section must be completed. Your spouse's signature must be notarized. It is not required if you elect payment option A or B and name your spouse as contingent annuitant and choose at least 50% of the payment to continue to your contingent annuitant.
- Complete Section 13, Participant signature. You must sign and date the form.

General terms

Annuity benefit: A series of periodic retirement benefit payments.

Annuity benefit type: The annuity benefit type refers to whether the benefit is paid as a fixed dollar annuity or as a variable annuity. These variations are explained on page 5 of this brochure. Your annuity benefit type cannot be changed once the benefit has been established.

Beneficiary: The beneficiary is the person (other than the contingent annuitant) who is or may become entitled to a benefit under the payment option you select on the *Retirement Benefit Application*.

Benefit amount: The benefit amount is the estimated dollar amount you will receive for each payment period for the payment option quoted. This amount has been estimated based on many variables.

Benefit effective date: Your benefit effective date refers to the first day of the month your benefit payments start. Normally, your first payment is due at the end of the period in which your benefit is effective. For benefits with a retroactive benefit effective date, your first benefit payment will begin within 30 days from the date your completed forms are received at GuideStone. However, retroactive benefit dates may not exceed 90 days prior to the date of your application. Monthly benefit payments are mailed no later than the last working day of each month.

Contingent annuitant: The contingent annuitant, normally your spouse, is the person you name to receive an annuity benefit for life under the Joint Life Annuity Benefit or the Joint Life Annuity Benefit with a Guarantee Period. When you die, the contingent annuitant will receive benefits under the terms of the payment option you elected on the *Retirement Benefit Application*. However, the contingent annuitant must survive you to receive a benefit.

Contribution Accounts Accumulation Benefit: A Contribution Accounts Accumulation Benefit is a benefit provided by all or a portion of the vested, accumulated dollars in your Contribution Accounts, including both contributions and earnings.

Earnings rate: The rate at which your retirement account increases or decreases without additional contributions.

Employer contributions: Contributions to your retirement account which were made by your employer (other than tax-paid contributions or contributions made by a salary reduction agreement). You will receive retirement benefits only from the vested portion of the Employer Contribution Account.

Frequency of payment: The frequency of the payments can be one-time, monthly, quarterly, or annually depending on the payment option you choose. Benefits are set up for monthly payment unless you choose another schedule.

Funding rate: The annuity funding rate is the assumed earnings figure that is used when a benefit is established. The funding rate partially determines the amount of your benefit over the term of payments.

Installment: Periodic payment distributed from your Contribution Accounts at the time the benefit is paid.

Length of payment: The time period for which the benefit will be paid. IRS regulations may determine the maximum length of payment.

Payment option: Refers to the method you select for receiving payment of benefits.

Tax-paid contributions: Contributions to your retirement account which were includible in your gross income during the year they were contributed. Also referred to as “after-tax contributions” or your “investment in the contract.”

Tax-sheltered contributions: Contributions to your retirement account which have been tax deferred through a salary reduction agreement.

Withdrawal: A term for “payout” or “receipt of benefits” from a retirement plan.



GuideStone®
FINANCIAL RESOURCES
of the Southern Baptist Convention

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