

EGTRRA, EGTRRA

January 2002

Read all about it!

Get EGTRRA Information On-line

The information provided in this article pertains only to the changes that affect the plans administered by the General Board. However, there are other aspects of EGTRRA that you may find of interest. Additional EGTRRA information is available on the following web sites:

- www.taxplanet.com
- www.401khelpcenter.com
- www.unclefed.com

Something EGsTRRA

- You will be receiving an Information Packet shortly with new forms and administrative information.
- The participants' next Statements of Account will include EGTRRA information.
- This month, information on rollovers will be on PARK, OASIS and our Website, www.gbophg.org.

General Board Adopts New Rollover Provisions

The Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), as we discussed in our September issues of the *On Board* and *For Your Benefit* newsletters, improved the long-term financial security of our participants by allowing greater opportunities to save more towards retirement. In addition to increased contribution limits, EGTRRA expanded the portability of rollovers of eligible distributions.

Effective January 1, 2002, the General Board will accept eligible rollover distributions from 403(b), 401(a)/401(k) qualified plans and traditional deductible IRA plans to the Personal Investment Plan (PIP). We do not accept rollovers of after-tax monies, which include after-tax distributions from other qualified pension plans, Roth IRAs, 457 plans and traditional, non-deductible IRA plans.

In addition, effective January 1, 2002, the General Board will accept rollovers of eligible retirement plan account distributions from 403(b), 401(a)/401(k) qualified plans and traditional deductible IRA plans received by a Surviving Spouse as a beneficiary if the surviving spouse is a participant in the PIP, Cumulative Pension and Benefit Fund (CPBF), Ministerial Pension Plan (MPP) or Staff Retirement Benefits Plan (SRBP). Again, we do not accept rollovers of after-tax monies.

A chart outlining some of the provisions and their impact on our participants is included on the back of this form.

As always, if you have any questions regarding these provisions or other questions for us at the General Board, please do not hesitate to call your *client manager*.



EGTRRA Provisions Adopted by the General Board

Contributions and Benefit Limits	2001 Provision	Effective January 1, 2002
Elective Deferral Limit	Before-tax contribution limit is \$10,500.	Annual limit for pre-tax contributions will increase to \$11,000 beginning in 2002, and will increase in \$1,000 annual increments up to \$15,000 by 2006.
Catch-up Deferrals Individuals Age 50 and Older	Not allowed.	Individuals who attain age 50 or over any time during 2002 can make additional before-tax catch-up contributions up to \$1,000. The catch-up amount is increased by \$1,000 per year, up to \$5,000 in 2006.
Maximum Exclusion Allowance	Annual contribution limit for 403(b) plans cannot exceed the lesser of the maximum exclusion allowance or the annual addition limit.	Maximum exclusion allowance eliminated.
Catch-up Elections	Employees of certain church-related organizations are entitled to special catch-up elections, which allow contributions in excess of annual standard limits.	Most special catch-up elections are no longer available. Contributions limited to annual addition limit except for age 50 catch-up contributions and certain participants who have at least 15 years of service with one employer.
Annual Addition Limit	Annual addition limit lesser of 25% of compensation or \$35,000.	Annual addition limit is increased to lesser of 100% of compensation or \$40,000.
Compensation Limit	\$170,000 for 2001.	Increased to \$200,000 for 2002.

Rollovers	2001 Provision	New Provision (Effective January 1, 2002)
Rollover of After-Tax Contributions (<i>Out-Bound</i>)	Not allowed.	After-tax contributions may be rolled over <i>to</i> a qualified defined contribution plan or IRA.
Expanded Portability (<i>Out-Bound</i>)	Eligible rollover distribution of 403(b) plans to IRA or another 403(b) plan.	Eligible rollover distribution <i>to</i> any eligible retirement plan that will accept them, including IRAs, 403(b), 401(k) and 457 plans.
Surviving Spouse Rollovers (<i>Out-Bound</i>)	Surviving spouse may roll over distribution only into an IRA.	Expanded rollovers <i>to</i> any eligible retirement plan that will accept them, including IRAs, 403(b) and 401(a)/401(k) qualified plans.
Hardship Exception for 60-Day Rollover Requirement (<i>In-Bound</i>)	Eligible rollover distributions from IRA or other qualified plans may be rolled over tax free if made within 60 days of distribution date.	IRS may waive 60-day rule if employee meets certain hardship exceptions.
Rollover (<i>In-Bound</i>)	Eligible rollover distribution from 403(b) plans only.	Eligible rollover distribution <i>from</i> any eligible retirement plan including IRAs, 403(b) and 401(a)/401(k) qualified plans to PIP.*
Surviving Spouse (<i>In-Bound</i>)	A surviving spouse who is a beneficiary of his/her spouse's retirement plan account balance may only roll over the retirement plan account distribution into an IRA.	A surviving spouse who is an active or retired PIP, CPBF, MPP or SRBP participant may roll eligible retirement plan account distributions <i>from</i> 403(b), 401(a)/401(k) qualified plans and traditional deductible IRAs into PIP.*
*Note: The General Board will not accept rollovers of after-tax monies, which include 457 plans, Roth IRAs and traditional, non-deductible IRA plans.		

Hardship Withdrawals	2001 Provision	New Provision (Effective January 1, 2002)
Suspension Period for Hardship Withdrawals	Requires 12-month suspension of employee contributions in the event of hardship distribution.	Suspension of employee contributions reduced to six months in the event of hardship distribution.