Personal Retirement Guide

Retirement is not only a reward for past service,
but a stepping-stone to future ministry.

www.EnvoyFinancial.com

Seize the Day Ministries
Envoy Choice 403(b) Retirement Plan

Eligibility:

Eligible Employees:

- All employees are eligible to make voluntary contributions upon hire
- Employees who generally work more than 25 hours per week are eligible for that part of the Plan which is funded with Employer Contributions

Age Requirement:

- You must be 21 years of age to participate in the plan

Service Requirement:

- There are no service requirements for your voluntary contributions
- You must have completed six months of service for the Employer contributions

Participation Date:

- Date of Hire for Your contributions
- First day of seventh month after hire for Employer contributions

Your Contributions:

Contribution Types:

- Traditional 403(b) deferrals (pre-tax)
- Roth deferrals (after-tax)
- Your contributions are always 100% vested

Contribution Amounts:

- Whole percentage amounts of your compensation (for example: 3%)
- You may choose from both Contribution Types, up to 100% of your compensation
- Deferral contribution limit of $16,500 for 2011
- If you are over age 50, you may contribute an additional $5,500 for 2011

Contribution Rate Changes:

- You may change your rate or stop deferrals at any time
- Allow up to 30 days for the change to take effect

Employer Contributions:

Matching Contributions:

- 100% of your deferrals (pre-tax or Roth) up to 4% of your pay
- You are always 100% vested in your Matching Contribution source

Basic Contributions:

- Allocated as a percentage of your pay
- The Employer Basic Contribution varies based on your position
- See the Summary Plan Description for details. Or see your Plan Administrator for details
- You are always 100% vested in your Employer Basic Contribution source
- You are not required to contribute to receive a Basic Contribution

Loans:

Basic Loan Rules:

- Amounts are borrowed from your vested account balance
- Maximum loan amount is 50% of vested balance up to a maximum loan amount of $50,000
- Minimum loan amount is $1,000
- Interest rate is prime lending rate plus 1%
- Maximum repayment term is 5 years for non-home loan
- Maximum repayment term is 30 years for home loan
- Only one loan may be outstanding at a time
- Loan repayment is made via payroll deduction
- Early payoff is allowed at no penalty

Distributions:

In Service Withdrawals:

- Available to Participants over age 59 ½
- Up to 100% of vested account balance may be withdrawn

Hardship Withdrawals:

- Available if you have an immediate and heavy financial need for which you do not have other reasonably available resources, including plan loans, to meet the need
- Qualifying hardships are detailed in the Summary Plan Description
- Withdrawals are limited to the amount of the employee's deferrals into the Plan, excluding investment earnings
- Six month suspension of employee deferrals is required

Distributions Upon Termination of Employment:

- Your vested account balance will be eligible for payment to you, to an IRA, or to another retirement plan upon your termination of employment
- Benefits for a deceased Participant are payable to the participant's designated beneficiary or beneficiaries. If married, the spouse will receive 100% of the benefits unless the spouse has consented in writing to payment to other beneficiaries.

Taxation of Payments:

- Mandatory Federal income tax withholding of 20% generally applies to any distribution unless it is directly transferred to an IRA or another retirement plan
- If you are married, your spouse must consent in writing to any form of payment other than an annuity providing your spouse with a survivor benefit equal to 50% of the amount of the benefit paid during your lifetime

Rollovers Into the Plan:

- You may roll or transfer balances from other eligible retirement plans of previous employers or from IRAs into your account

Additional Information:

- This document highlights key features of your Plan. If you have questions or need additional information, please refer to the Summary Plan Description or contact your Plan Administrator

Christian Perspective on Retirement

How you view retirement determines how you will plan for your retirement years. In essence, **retirement is not only a reward for past service, but a stepping-stone to future ministry**. Whether you are in full-time Christian ministry or work in a secular environment, believers are all called to life-long service. Of course, your ministry may look different at various life stages, but the key is to be financially prepared so you can serve the Lord no matter where He leads you.

The bottom line is that we need to manage wisely the money we've acquired in our income-producing years, so when the later years arrive, we will have the finances to carry out whatever the Lord has planned. We call that concept "***Future-Funded Ministry***,"™ financial security for ministry in your later years.

If our goal is to be a part of fulfilling the Great Commission (Matthew 28:18-20), we can be more effective when we get out of debt, plan for the future, and wisely follow God's standards for biblical financial stewardship.

Here are some powerful concepts and Scriptures on our responsibilities for biblical financial stewardship and "Future-Funded Ministry" planning:

1. Start small, grow tall

In the parable of the mustard seed (Mark 4:30-32), we learn that the smallest seed planted in the ground grows to become the largest of all garden plants. In a similar way, money that you save (no matter how small the amount) grows. With the power of compounding interest, money in a savings instrument has the potential to grow faster than it would outside of an account.

> *Again he said, "What shall we say the kingdom of God is like, or what parable shall we use to describe it? It is like a mustard seed, which is the smallest seed you plant in the ground. Yet when planted, it grows and becomes the largest of all garden plants, with such big branches that the birds of the air can perch in its shade." Mark 4:30-32*

2. Parable of the Talents – Invest

In the parable of the talents (Matthew 25), Christ teaches us a lesson on managing our money well and exercising good stewardship and faithfulness. Here we learn about a man who received five talents (an ancient form of money) and at once put his money to work and gained five more (Matthew 25:16).

However, another man received only one talent and he dug a hole in the ground and hid his master's money. (Matthew 25:18). Here's what happened when the master returned:

> *"Then the man who had received the one talent came. 'Master,' he said, 'I knew that you are a hard man, harvesting where you have not sown and gathering where you have not scattered seed. So I was afraid and went out and hid your talent in the ground. See, here is what belongs to you.'*
>
> *His master replied, 'You wicked, lazy servant! So you knew that I harvest where I have not sown and gather where I have not scattered seed? Well then, you should have put my money on deposit with the bankers, so that when I returned I would have received it back with interest.'" (Matthew 25:24-27, NIV)*

Clearly this man did not know his master much less his master's character. If he did, he would have found a greater harvest and more joy.

3. Sowing and reaping

The principle of "sowing and reaping" is found in the Bible, too. Galatians 6:7 says, "Do not be deceived: God cannot be mocked. A man reaps what he sows."

Before you reap a harvest you will need to plant some seeds. Likewise, before you reap a financial harvest, you'll need to start saving.

Imagine a farmer who buys a plot of land but does not plant any seeds. Instead, he kneels beside the field and prays for crops to grow. Proudly, he proclaims, "I just trust the Lord to provide." At harvest time, he gets nothing but barren land. That's because God has established the law of sowing and reaping.

4. The Lord owns everything

The earth is the Lord's and all it contains, the world, and those who dwell in it. (Psalms 24:1, NASB)

5. Plan ahead

Go to the ant, you sluggard; consider its ways and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest. (Proverbs 6:6-11, NIV)

6. Save for the future

The wise man saves for the future, but the foolish man spends whatever he gets. (Proverbs 21:20, LB)

7. Persevere

The plans of the diligent lead to profit as surely as haste leads to poverty. (Proverbs 21:5, NIV)

8. Give as you are blessed and do it cheerfully

Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver. (2 Corinthians 9:7, NIV)

Below are three important concepts about investing and planning for retirement:

1. Important Facts About "Retirement" Income:

What do Americans use for retirement income sources?

Largest Source of Retirement Income*
(expected sources for workers and actual sources for retirees)

	Workers	Retirees
Personal savings	50%	24%
Employer-funded plans	13%	21%
Social Security	14%	40%
Employment	11%	2%
Sale or refinancing of home	2%	2%
Something else	3%	4%
Don't know	5%	5%

*Source: 2002 Retirement Confidence Survey – EBRI/ASEC/Greenwald

17% of retirees report that their actual experience in retirement in terms of overall standard of living is a lot better than expected at the time they retired; 34% say a little better than expected, 26% say about the same, while only 10% say a little worse than expected and 9% say a lot worse than expected.

Among those who say their standard of living is worse than expected, 4 in 10 retirees say it is because their expenses are higher than they anticipated (38%), while one-fourth have been faced with unexpected medical expenses (26%). Twenty-four percent had misconceptions about their Social Security, pension benefits and Medicare coverage.

A report by the Social Security Administration** warns us that Social Security will not be enough to provide for our basic needs during retirement. Social Security will provide income that will support less than 35% of your basic necessities of life.

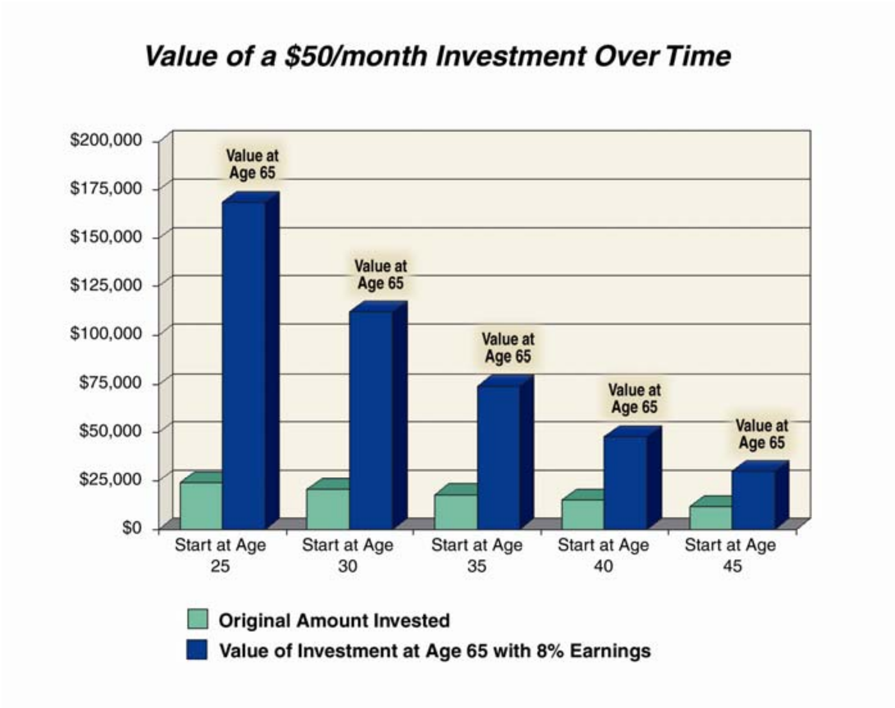
Despite this fact, in 2005:

- 65% of retirees depended upon Social Security to provide for 50% or more of their income needs.
- 34% of retirees depended upon Social Security to provide for 90% or more of their income needs.
- 20% or more of retirees depended upon Social Security to provide for 100% of their income needs.

**Source: Fast Facts and Figures about Social Security (Social Security Administration, June 2002).

2. Start Now!

Generally, no one goes into full-time ministry for the money. Those of us who are blessed to be doing the Lord's work and getting paid for it are doing so for the privilege of this joyous combination. So a common issue ministry professionals grapple with is "What good will my small contributions do? If my income is low, is it even worthwhile for me to be contributing to a plan?" The following chart illustrates the enormous impact of saving – over time – even by investing a small amount:



The bottom line: The impact of acting now is obvious: Every little bit counts toward your "***Future-Funded Ministry***"!

3. Don't Chase Returns

One of the most misunderstood aspects of investing for retirement is the belief that it is all about seeking the highest possible returns. Choosing the right investments is more about making informed, realistic investment decisions designed to accomplish your financial goals without taking unnecessary risks. Be sure to acknowledge your risk tolerance and check it from time to time. Your understanding of risk and the appropriate amount to take may change over time.

We are frequently asked "How do I learn more about financial terms?" Learn these 13 key phrases and their definitions, and you will be well on your way!

Mutual Fund:

A mutual fund is a pool of money from many investors that a professional money manager uses to buy the stocks and bonds of many different companies. The purpose behind a mutual fund is to help control risk. A mutual fund may hold stocks and/or bonds of hundreds of companies across many different industries or even countries. Within a fund with multiple and diverse holdings, a single company facing struggles would probably not impact the fund since it would be buoyed by the other holdings. Mutual funds can vary from very conservative to very aggressive.

Stock:

Stock represents ownership in a company. When you buy a share of stock in exchange for the money for that stock, the company makes you a part owner of that company. For example: If a company sold, or "floated," only 10 shares of stock, and you bought one share, you would literally own 10% of that company. As a shareholder, or stockholder, you do not get to make decisions about how the company is run, but you get to elect the Board of Directors, who make those decisions for you. In order to keep the shareholders happy (and to keep the Board from firing them), the management of the company must make money, and give a little back. That return to you is called a "dividend." Multiple stocks will be owned by mutual funds.

Bond:

A bond is a loan to a company. In much the same way that consumers might go to a bank to borrow money for the purchase of a home, a company might fund an enormous project by selling bonds. These bonds represent debt of the company. The company has now taken on debt, which they must repay to the bondholder, with interest, before profits can be declared. Multiple bonds will be owned by mutual funds.

Portfolio:

A collection or group of investments all owned by the same individual or organization. All of the financial "stuff" you own.

Volatility:

The up and down gyrations of prices of stocks, bonds and mutual funds result in volatility. Typically, stock funds involve more risk than bonds, because they are not secured by the company's assets or income, as bonds are. However, bond funds usually do not have the rate of return that stock funds do. Because of this, on any given day of the week, a stock fund usually has higher highs and lower lows than bonds funds.

Risk:

The chance of loss. Investors can be categorized as conservative, moderate, or aggressive in the amount of market unpredictability they are willing to tolerate.

Diversification:

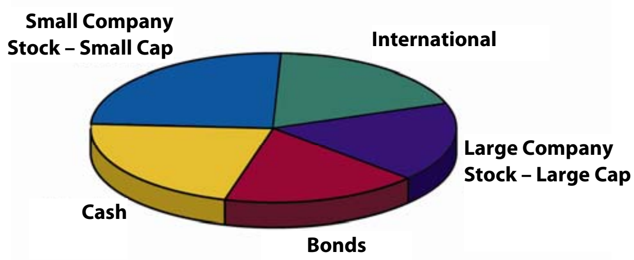
The process of spreading your money among different investments. A strategy to reduce risk.

Asset Allocation:

The Nobel Prize-winning economics study, the Brinson study, analyzed every transaction in the market, back to (and including) the Crash of 1929. The question it answered was this: What makes a successful portfolio? The answer may surprise you.

The single most important element of a successful portfolio is *asset class*. That is why diversification of a portfolio is so important.

Asset allocation simply means deciding how much money to place in different asset classes, or types of investments, at any given time. Your investment choices should be taken from different types of asset classes, including:



An appropriate asset allocation helps reduce your portfolio's exposure to volatility when the financial markets are delivering unsteady returns. This can give you peace of mind knowing your portfolio will be positioned to help meet your financial goals. Whether you are investing small amounts on a monthly basis or a large sum at one time, selecting the right mix of investments can help you achieve your financial goals.

The chart to the right highlights some of the best performing asset classes for the past 30+ years. The best performing asset class changes from year to year, in an almost unpredictable fashion. The difference between the best and the worst performing asset class, in any given year, can be quite substantial.

Best Performing Asset Classes, 1979-2009

Year	International	Large-Cap Value	Small-Cap Value	Mid-Cap	Large-Cap Growth	Small-Cap Growth	Long Term Bonds	Inflation
1979	6.18%	20.55%	35.38%	32.52%	23.91%	50.83%	-3.29%	13.31%
1980	24.43%	24.41%	25.39%	32.50%	39.57%	52.26%	-2.68%	12.40%
1981	-1.03%	1.26%	14.85%	2.40%	-11.31%	-9.24%	0.06%	8.94%
1982	-0.86%	20.04%	28.52%	23.26%	20.46%	20.98%	43.71%	3.87%
1983	24.61%	28.28%	38.64%	23.82%	15.98%	20.13%	6.12%	3.80%
1984	7.86%	10.10%	2.27%	1.43%	-0.95%	-15.83%	16.42%	3.95%
1985	56.72%	31.51%	31.01%	32.01%	32.85%	30.97%	29.76%	3.77%
1986	69.94%	19.98%	7.41%	18.20%	15.36%	3.58%	21.43%	1.13%
1987	24.93%	0.50%	-7.11%	0.23%	5.31%	-10.48%	-0.85%	4.41%
1988	28.59%	23.16%	29.47%	19.80%	11.27%	20.37%	9.75%	4.42%
1989	10.80%	25.19%	12.43%	26.27%	35.92%	20.17%	17.53%	4.65%
1990	-23.19%	-8.08%	-21.77%	-11.50%	-0.26%	-17.41%	6.42%	6.11%
1991	12.49%	24.61%	41.70%	41.51%	41.16%	51.19%	19.53%	3.06%
1992	-11.85%	13.81%	29.14%	16.34%	5.00%	7.77%	8.53%	2.90%
1993	32.94%	18.12%	23.84%	14.30%	2.90%	13.36%	16.17%	2.75%
1994	8.06%	-1.99%	-1.55%	-2.09%	2.66%	-2.43%	-7.09%	2.67%
1995	11.55%	38.35%	25.75%	34.45%	37.19%	31.04%	29.93%	2.54%
1996	6.36%	21.64%	21.37%	19.00%	23.12%	11.26%	0.13%	3.32%
1997	2.06%	35.18%	31.78%	29.01%	30.49%	12.95%	14.52%	1.70%
1998	20.33%	15.63%	-6.45%	10.10%	38.71%	1.23%	11.76%	1.61%
1999	27.30%	7.35%	-1.49%	18.23%	33.16%	43.09%	-7.64%	2.68%
2000	-13.96%	7.01%	22.83%	8.25%	-22.42%	-22.43%	16.16%	3.39%
2001	-21.21%	-5.59%	14.03%	-5.62%	-20.42%	-9.23%	7.26%	1.70%
2002	-15.66%	-15.52%	-11.43%	-16.18%	-27.89%	-30.26%	14.84%	2.69%
2003	39.17%	30.03%	46.03%	40.06%	29.75%	48.54%	5.88%	1.88%
2004	20.70%	16.49%	22.25%	20.22%	6.30%	14.31%	8.56%	3.94%
2005	14.02%	7.05%	4.71%	12.65%	5.26%	4.15%	5.34%	3.42%
2006	26.86%	22.25%	23.48%	15.26%	9.07%	13.35%	2.73%	3.24%
2007	11.63%	-0.17%	-9.78%	5.60%	11.81%	7.05%	6.60%	2.85%
2008	-43.06%	-36.85%	-28.92%	-41.46%	-38.44%	-38.54%	8.44%	3.85%
2009	32.46%	19.69%	20.58%	40.48%	37.21%	34.47%	1.92%	-0.34%

Best Performing Asset Class | Worst Performing Asset Class

Dollar Cost Averaging:

Investing the same dollar amount every month, regardless of market conditions and fluctuating prices, is known as Dollar Cost Averaging. Although the market fluctuates, you can use this strategy to reduce your risk of loss over time because you are investing regular amounts as opposed to a lump sum, thus lowering your average cost per share.

The Dollar Cost Averaging chart on the following page shows that, depending upon your situation, you may be much better off embracing volatility over time, rather than shunning it and investing lump sums. Dollar Cost Averaging is a strategy to reduce risk.

The Power of Dollar Cost Averaging

	Investment	*Share Price*	*Shares Purchased*
Month 1	$100	$10	10
Month 2	$100	$5	20
Month 3	$100	$15	7
Month 4	$100	$5	20
Month 5	$100	$10	10
		Total Shares purchased:	67

At the current share price of $10 per share, the investor has an investment value of $670.

	Investment	*Share Price*	*Shares Purchased*
Month 1	$500	$10	50
Month 2	$0	$5	0
Month 3	$0	$15	0
Month 4	$0	$5	0
Month 5	$0	$10	0
		Total Shares purchased:	50

If the investor would have taken the same $500, and only invested it as a one-time lump sum during Month 1, his investment at the current share price of $10 per share would be worth $500 – $170 less!

Traditional vs. Roth Contributions

Traditional = Tax-Deferred = Before Tax

Contributions to Tax-deferred plans reduce taxable income

Distributions from Tax-deferred plans are taxed (Licensed or ordained ministers may be partially exempt)

Funds inside the following plans grow Tax-deferred:

- 403(b)
- 401(k)
- Traditional IRA
- Simple IRA
- 457 Plan

Roth = Tax-Free = After Tax

Contributions to Tax-free plans do not reduce taxable income

Distributions from Tax-free plans are distributed tax-free when used for plan intended purposes and following IRS regulations

Funds inside the following plans grow Tax-free:

- Roth 403(b)
- Roth 401(k)
- Roth IRA
- Section 529 College Savings Plan
- Coverdell Education Savings Account (formerly called Education IRA)

Employer Contributions: Basic and Matching:

When an employer contributes into the retirement plan on behalf of an employee, those contributions are made in one of two ways:

Basic Employer Contribution:

This is a contribution that an employer makes into an employee's account regardless of the employee's participation in the plan. It is usually a percentage of the employee's salary and often increases each year the employee remains with the organization.

Your ministry's retirement plan may or may not include a Basic Employer Contribution.

Matching Employer Contribution:

This contribution only occurs when the employee contributes into the retirement plan. When the employee contributes, the employer also contributes a certain amount, "matching" some percentage of the employee's contribution, usually up to a specified maximum percentage of the employee's salary. A matching contribution is often described in this manner: A dollar-for-dollar match, up to 6%. This means that the employer would contribute $1 for each dollar the employee contributes, up to 6% of the employee's salary.

A Matching Employer Contribution is generally regarded as "free money" and employees should take advantage of these funds as a tool to build their "Future-Funded Ministry" plan. Your ministry's retirement plan may or may not include a Matching Employer Contribution.

Congratulations on your eligibility to participate in your employer's 403(b) Envoy Choice Retirement Plan! Follow the steps below to enroll into your plan.

Enrollment

1. **Login:**
   a. Access the Envoy Financial web site at: www.EnvoyFinancial.com and select
   b. ***User ID:*** Enter your **Social Security Number** (with no dashes)
   c. ***Password:*** Enter **the last four digits of your Social Security Number**
   d. Select "Participant" in the drop down box
   e. Click the ***Login*** button

2. **Set up your secure account:**
   a. Select a new password (required)
   b. Select a new user ID (optional)
   c. Enter answers to verification questions (for use if you forget your password)
   d. Enter other Personal Information (phone numbers, email address, etc.)
   e. Once you have entered all required data, click "Continue"
   f. Click the enrollment banner to begin your enrollment

3. **Let the interactive online enrollment system guide you through the process:**
   During this process, we will lead you through each step to:
   a. Inform you about the basic plan advantages and options
   b. Help you discover your retirement needs
   c. Create a personalized risk profile
   d. Match your risk profile to the plan's investment options
   e. Identify a contribution level to meet your retirement needs

Review

At any time after you have enrolled, you can return and review your retirement plan account, investments, contribution rate, etc.

1. **Login:**
   a. Access the following web site: www.retirementlogin.com/envoy
   b. ***User ID:*** Enter your **Social Security Number** (with no dashes)
   c. ***Password:*** Enter **the last four digits of your Social Security Number**
   d. Select "Participant" in the drop down box
   e. Click the ***Login*** button
2. **Click Account Review on the top menu**
3. **Click the Review banner**

This questionnaire is designed to identify your investment perspectives and risk level. Read the questions and select the option that most closely represents your beliefs and financial situation.

1. To obtain above-average returns on my investments, I am willing to accept above-average risk of investment losses.

    A. Strongly disagree
    B. Disagree
    C. Neutral
    D. Agree
    E. Strongly Agree

2. Staying ahead of inflation is more important to me than maintaining stable principal values.
    A. Strongly disagree
    B. Disagree
    C. Neutral
    D. Agree
    E. Strongly Agree

3. If an investment loses money over the course of a year, I can easily resist the temptation to sell it.
    A. Strongly disagree
    B. Disagree
    C. Neutral
    D. Agree
    E. Strongly Agree

4. I do not plan on withdrawing my retirement money for major expenses before I retire.
    A. Strongly disagree
    B. Disagree
    C. Neutral
    D. Agree
    E. Strongly Agree

5. I consider myself knowledgeable about economic issues and personal investing.
    A. Strongly disagree
    B. Disagree
    C. Neutral
    D. Agree
    E. Strongly Agree

6. When do you expect to retire?
    A. Less than 5 years
    B. 5-10 years
    C. 10-15 years
    D. 15-20 years
    E. More than 20 years

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