



Why keep your money in the CRSP 403(b)?

At some point, you'll have to make choices about keeping your money in your Concordia Retirement Savings Plan 403(b) account. While other options may sound tempting – they may not be the best choice. The great benefits that helped you choose to save in the CRSP are the same reasons you'll want to stay in the CRSP.

Why should I consider keeping my money in the CRSP 403(b) instead of rolling it into an IRA?

Low Cost

Lower fees mean you'll keep more of the money you saved for your retirement. Plan members pay a flat administrative fee for the CRSP 403(b) with no surprises or charges you didn't expect, no commissions, and no sales fees. Retirees in the Concordia Retirement Plan only pay \$60 per year! Some IRA providers determine their fees based on a percentage of your account balance – the higher your account balance, the higher your fee.

For example, if your IRA charges your account a fee of 0.85%/year, then for a \$10,000 account, you would pay \$85/year for that fee; if the account were \$100,000, then the fee could be \$850/year!

In addition, thanks to the combined total assets of the CRSP, you will have access to low-cost share classes for certain types of mutual funds which may not be available in an IRA brokerage account. This helps you keep even more of your money in your account.

Housing Allowance Exclusion

If you are a retired ordained or commissioned Minister of Religion, money in your account that was earned while doing work as a Minister of Religion is eligible to be treated as housing allowance. The portion of your CRSP distributions that is used for housing expenses is allowed to be excluded from income reported on your annual tax return. You may want to consult with a tax professional for more details.

This exclusion is not available for distributions from an IRA.

Professional Management

ProManage creates a customized saving strategy based on YOU including age, expected Social Security benefits, CRP pension benefits, CRSP account balance and other factors. This will help keep you properly diversified throughout your retirement journey.

ProManage PROgram™ has a separate fee for their services. Visit ConcordiaPlans.org/CRSP for more information.

Wide-range of investment options

While you may find a larger selection of investment options with an IRA, we've already done the research for you. Our dedicated team of investment professionals put together a fund line-up that offers low-cost share classes in both active and passive investment options and in each major asset category.

Integration with the CRP Pension

The CRSP 403(b) was created to complement the Concordia Retirement Plan pension.

You can roll some* or all of your CRSP balance into the CRP pension at any time. This will add an additional amount to your monthly pension benefit. (*Rollover amounts must be at least \$5,000.)

If you're eligible, the CRSP gives you a place to rollover your Supplemental Retirement Account and Retiree Medical Supplement if you do not wish to annuitize these.

Flexible Distribution Options

You can choose how you receive your money from the CRSP – by setting up recurring payments or simply taking distributions when needed. Also, if you continue to work at an employer that offers the CRSP past the age of 73 (or age 75 if you were born in 1960 or later), you don't have to take required minimum distributions from your CRSP account until you are fully retired.

Tax considerations

If you retire from an employer offering the CRSP when you are between the ages of 55 and 59 ½, you can withdraw funds from the CRSP without a tax penalty.

Should I consider cashing out my CRSP?

If you saved on a pre-tax basis, full cash distributions may be expensive due to the cost of hefty tax bills. You may owe both federal and state income tax.

In addition, if you withdraw your funds you may forego potential continued growth on your investments.

Remember, you saved these funds for a specific reason – to provide income during your retirement. Always consider how taking a distribution affects your overall retirement plan and your ability to meet your expenses.

Is there anything else I should consider about keeping my funds in the CRSP 403(b)?

Even in retirement, as long as you have a CRSP account balance, you can roll eligible retirement accounts into the CRSP. Having all your investments centrally managed makes it easier on you:

- Rather than trying to piece together your financial picture, you'll have a more holistic view with all your investments in one account, making it easier to manage beneficiaries and required minimum distributions.
- Every separate investment plan has separate costs associated, which could really add up. Rolling funds into the CRSP could reduce the fees you are paying.

Questions?

Contact the Financial Education Team at MoneyMatters@ConcordiaPlans.org
or 888-927-7526 ext. 6865.