



Key Considerations

Regarding participation with, and options available to Employers under the UU Organizations Retirement Plan Restatement of 2014 including all subsequent amendments



Subject	Key points	Key questions
<p>Employer Contributions</p>	<ul style="list-style-type: none"> ✓ For employees who have met the year of eligibility service requirement defined in the Plan, employers must remit employer’s contributions. ✓ Employers cannot adopt the Plan unless they commit to a base employer contribution of 5% percent or more of Compensation as defined in the governing Plan document, on behalf of all such eligible employees. ✓ The employer must offer the same percentage employer contribution to all such eligible employees. ✓ The 10% UUA Fair Compensation guideline regarding employer contributions may be met with a combination of employer contributions (base and matching contribution) totaling an offer of at least 10 percent. For instance, if the base employer contribution is 7 percent and the employer match is 3 percent then the participating congregation would meet the Fair Compensation guideline for employer retirement plan contributions. <p>NOTE: The “Fair Compensation” program has been paused until such time as adequate reporting regarding each adopting employers’ compliance with Plan provisions can be</p>	<ul style="list-style-type: none"> ✓ Using the governing plan’s provisions regarding eligibility, which of our current employees are <i>presently</i> eligible to receive employer contributions? ✓ Which employees are poised to meet eligibility for employer contributions within the foreseeable future? ✓ Note: an employee who has fulfilled the initial year of eligibility service requirement (1,000 hours worked during 12-consecutive-month period as identified in 2.42 in the Plan) remains eligible for employer contributions even if the number of hours they work falls below 1,000 hours in subsequent years or they move to serve another participating employer, or are let go and then rehired by the same employer. ✓ Under the provisions of the Plan, the initial year of eligibility service requirement for receiving employer contributions can be met by the required aggregation of Hours of Service worked by an employee at more than one participating employer for the 12-consecutive-month period of review, and ✓ If an employee has fulfilled the year of eligibility service requirement with another participating employer and then we hire them, this employee is immediately eligible for employer contributions. We know that we cannot re-impose the year of eligibility service requirement, nor can we create a “waiting period.” ✓ Ordained UU clergy are immediately eligible for employer contributions, because they have already satisfied the year of eligibility service requirement during their training/internship. ✓ What are the financial, moral, administrative, and other implications of our commitment to provide an employer contribution to all of our employees who are presently eligible or will be eligible to receive employer contributions in the future?

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	obtained.	<ul style="list-style-type: none"> ✓ How do employer contributions fit in to the overall compensation and benefit package we offer to our employees? ✓ What else must we consider, given our present circumstances?
Optional Employer Match	<ul style="list-style-type: none"> ✓ There is no requirement that Employers offer matching contributions. ✓ The revised Plan <i>allows</i> employers to offer a discretionary matching employer contribution in addition to the required employer base contribution. ✓ The UUA Retirement Plan Committee has recognized that employer matching can be a useful option that may permit employers some flexibility in providing a retirement plan benefit to their employees. Employees benefit to the extent that they are able and willing to make, and maximize their own elective deferrals. 	<ul style="list-style-type: none"> ✓ What are the advantages and disadvantages of offering an Employer’s matching contribution to all of our eligible employees? ✓ We understand that eligibility is determined according to the governing Plan’s provisions and that we cannot create unique local policies regarding eligibility. ✓ Will adding an offer to match employee contributions up to a certain percentage benefit our employees? How? ✓ Will adding an offer to match employee contributions up to a certain percentage benefit we, the employer? How? ✓ What percentage employee contribution are we prepared to offer to match? (the offer must be the same for all employees) ✓ How can we manage our finances to ensure that if we adopt to match, and all employees contribute the maximum, we can assure that we meet our obligation? ✓ What else must we consider, given our present circumstances?
Definition of Compensation see “2.13 Compensation” in the governing plan document	<ul style="list-style-type: none"> ✓ Ministers’ housing allowance, even that of highly compensated ministers’ (those with salaries exceeding \$130,000 in 2020) is included in the compensation base for retirement contributions. ✓ Participating employers have the option to exclude certain pieces of compensation from the compensation base: <ul style="list-style-type: none"> • the payment-in-lieu of FICA to ministers • the gross-up amount for same-gender couples; and/or • the value of any employer-paid Long-term Disability and Life insurance premiums 	<ul style="list-style-type: none"> ✓ What are the advantages and disadvantages of excluding any/each of the permitted carve-outs? ✓ Will excluding any of these amounts from the compensation base used for calculating the percent of contribution benefit our employees? How? ✓ Will excluding any of these amounts from the compensation base used for calculating the percent of contribution benefit we, the employer? How? ✓ What else must we consider, given our present circumstances?

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	<p>which are imputed as income to the employee</p>	
<p>Employees and Voluntary Employee (Tax-Deferred) Contributions Also known as Elective Contributions and Catch-Up Contributions</p>	<ul style="list-style-type: none"> ✓ Upon hire, every W-2 employee age 18 or older, including part-time employees who may never render 1,000 Hours of Service in a 12-consecutive-month period, may enroll in the Plan and begin making tax-deferred employee contributions. 	<ul style="list-style-type: none"> ✓ What must we establish, internally, to ensure that we meet and consistently manage these provisions of the Plan?
<p>Auto-Enrollment</p>	<ul style="list-style-type: none"> ✓ Participating employers who elect “auto-enrollment” must inform and enroll employees in timely fashion, providing to the employees an Employee Contributions Agreement documenting that the Employer will withhold a specified percentage (ranging from 1-6 percent) of the <u>employee’s</u> compensation as a pre-tax <u>employee</u> contribution. ✓ Employees can opt out of these pre-tax contributions or change the percentage of compensation contributed at any time by notifying their employer by completing an Employee Contributions Agreement. ✓ Auto-enrollment is gaining popularity among employers that wish to assist their employees’ movement toward a thoughtful consideration of their eventual retirement readiness. ✓ Employers who select “auto-enrollment” are 	<ul style="list-style-type: none"> ✓ What are the advantages and disadvantages of electing to administer “auto-enrollment” for our employees? (We understand that we, the adopting employer, are the entity that “automates” auto-enrollment.) ✓ How will providing “auto-enrollment” potentially benefit our employees? ✓ How will providing “auto-enrollment” potentially benefit we, the employer? ✓ What must we establish, internally, to ensure that we meet and consistently manage the additional administrative obligations related to “auto-enrollment”? ✓ What else must we consider, given our present circumstances?

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	<p>solely responsible for these administrative duties including timely provision of notices to employees, timely provision of enrollment materials, Employee Contributions Agreement, mandatory disclosures and the like.</p>	
<p>Intended Implementation Date of the provisions of the restated Plan</p>	<ul style="list-style-type: none"> ✓ Each Employer newly adopting the Plan or updating their commitments for an upcoming Plan Year (January – December) must indicate the intended date of implementation on an Employer Participation Agreement submitted to the UUA Retirement Plan Committee. ✓ Employers must not select a retroactive implementation date. ✓ Employers must not implement the Plan and commitments of their Employer Participation Agreement until they receive a notification of acceptance from the UUA Retirement Plan Committee. ✓ The implementation date must be the first of an upcoming month for initial Employer adoptions, and the first of January for employers wishing to alter their existing commitments. 	<ul style="list-style-type: none"> ✓ What conversations need to take place within our group in order to select a reasonable intended date of implementation? ✓ Which internal procedures must we establish in order to ensure compliance with the Restated Plan Document and our own elections as documented on the Participation Agreement? ✓ What else must we consider, given our present circumstances, and the possibility that our financial and administrative capabilities might change over time?