

## CHURCH OF THE BRETHREN

# HOUSING FUND FOR PASTORS

### I. PURPOSE

The Pastors Housing Fund was established on recommendation of the General Board's Parish Ministries Commission by the 1975 Annual Conference in its adoption of the Pastors' Salary and Benefit Plan. The purpose of this fund is to support the long-term housing needs of pastors. The fund provides congregations with the opportunity to help pastors accumulate money for housing to be used either at the time of retirement or when purchasing a home prior to retirement.

This fund is intended only for housing needs and not as a general savings account. Pastors who already own a home should consider alternative investments. A statement in the plan notes, "When a parsonage is occupied through mutual agreement between pastor and congregation . . . 1% of the value (fair market value) of the parsonage should be paid by the congregation each year into a fund in the name of the pastor which shall be available for future use in meeting housing or retirement needs."<sup>1</sup>

### II. EFFECTIVE DATE

The effective beginning date for the Pastors Housing Fund was July 1, 1976.

### III. OPENING AN ACCOUNT

- A. An MMA Praxis Mutual Funds account will be established in the name of each participating pastor and the General Board. Each interested pastor should carefully read the MMA Praxis Mutual Funds prospectus before making any contributions or opening an account.
- B. To open an account, a pastor should contact the General Board Treasurer's Office. The Treasurer's Office will then send a MMA Praxis Mutual Funds Account Application and Authorization Assignment to each new participant. These completed forms, along with a minimum of \$500.00, should be returned to the General Board Treasurer's Office. (Please see Payments to the Fund.)

### IV. PAYMENTS TO THE FUND

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1. Approved by the 1975 Annual Conference.

- A. In order to open an account, a minimum of \$500.00 will be required. The check should be made payable to MMA Praxis Mutual Funds. There is no legal maximum on the amount invested each year, but in light of the 1 percent guideline stated above, we are suggesting a yearly maximum of \$2,500.00.
- B. All additional funds should be sent directly to MMA Praxis Mutual Funds. After the initial payment, all payments should be sent directly to MMA Praxis Mutual Funds on an annual, semiannual, or quarterly basis. Payment should be sent at the beginning of each period.
- C. This fund has not been established as tax exempt, therefore, the tax implications are the same as for other investments. Payments to the fund may be made by the congregation or the pastor. MMA Praxis Mutual Funds will file yearly tax forms for earned interest and capital gain or loss.

## **V. FUND INVESTMENTS AND EARNINGS**

- A. Participants will choose the investment strategy for their account from the options available.
- B. The fund earnings will be credited to the participants' account(s) as they are received by MMA Praxis Mutual Funds.
- C. MMA Praxis Mutual Funds will mail participants a confirmation after each addition and an account statement at the end of each quarter.

## **VI. WITHDRAWALS**

- A. Pastors Housing Fund money is to be used only for future use in meeting housing or retirement needs. Withdrawals must be approved by the Director of Ministry, in consultation with the chair of the Pastoral Compensation and Benefits Advisory Committee when necessary.
- B. The participant must send a written request for withdrawal to the General Board Treasurer's Office. Withdrawals should be provided by the end of a month, when written notice is received by the General Board Treasurer by the first day of that month.

## **VII. ADMINISTRATION AND POLICIES**

- A. The General Board Treasurer's Office administers the fund working with the Director of Ministry to determine practices and procedures.
- B. The Pastors Housing Fund money will be invested under the guidance and investment strategy of the Stewardship Subcommittee/Executive Committee of the General Board.
- C. As part of the administration of the Pastors Housing Fund, the General Board obtains an investment foundation to invest the monies in individual mutual fund accounts for each

pastor. This service is currently provided by MMA Praxis Mutual Funds. However, the General Board plans to utilize the services of the Brethren Foundation in the future when the Brethren Foundation has the range of funds that our pastors use. We expect this change to occur in the next year or two. In the meantime, the General Board and the Brethren Foundation, as the General Board's investment manager, have agreed to continue using MMA Praxis.

- D.** In the event of a participant's death, the portion of housing funds held by the General Board will be transferred to the designated beneficiary or estate.
- E.** The general oversight of the Pastors Housing Fund has been delegated by Annual Conference to the Pastoral Compensation and Benefits Advisory Committee. Major alterations in or discontinuance of this fund will be by action of Annual Conference on the recommendation of the committee.

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