



## Want Financial Freedom in Your Future? This Webinar is for You!

It can be a tough juggling act—planning for a comfortable retirement while meeting the many financial needs of today. But there are steps you can take to control your finances and stay on track with your goals. Empower Retirement will lay out this path in a webinar called **“Financial Wellness—Pursuing Your Financial Freedom”** which will be presented on **June 7, 8, and 9**. Attendees will learn such things as:



- Why a budget is important and how to create one
- How to develop an Emergency Savings Account
- Smart ways to lower your debt
- How “My Financial Path,” Empower’s online resource center, can keep you on target

This webcast is for anyone who wants a better understanding of where their money is going, and how to manage their finances wisely as they look to retirement. Please share this webinar information with your employees! It’s easy for them, and you, to register. [Just click here.](#)

## New Calculator, New Calculation Requirements



You'll recall that in our last bulletin we told you the 2022 Benefit Calculator can now be found on the eAdventist Personnel site, and that you should use version 25.02 for all your future retirement applications. But we didn't mention a new wrinkle that you'll see in the W4P section of the application. The IRS decided to change the calculation requirements that an employee should use to determine any deduction. A link to the IRS website and form is right there in the Benefit Calculator, so just ask your employee to access the IRS site and follow the instructions there in order to complete the form and return it to you.

## Pass Along These Retirement Reminders ...

There are several items that your employee needs to remember (with your help) as they prepare for their retirement:

- **Division Status:** if the employee was born outside of the U.S., be sure they complete the Division Status form.
- **ITR:** Make certain your employee provides the vested status from their home Division and remind them that they must complete the home Division's retirement process. This is especially important because it can take months for the home Division to complete the steps and NAD benefits cannot begin without the retirement benefits from the other Division. If the entire process is not completed by the time the application arrives in our office, you can count on a delay that won't make the retiree happy!
- **Divorce Documents:** Please inform any employee who has undergone a divorce that we require a copy of the QDRO or court order. These documents must have the judge's signature or we cannot accept them. The employee should plan to get all of the forms completed before



retirement, as any delay in providing proper documents can delay the start of benefits by months.

## And a Couple of To-Do's for You:

Please submit retirement applications and all supporting/required documentation *6 months prior* to the retirement effective date.

With multiple reports in the news of ransomware attacks on companies, we've shored up our security for eAdventist Personnel. The site now requires a two-step authentication process.



To set up your authentication, go to this link: <https://eadventistpersonnel.com/2022/03/10/2-step-verification/>

## Hardship Withdrawals: When Are They an Option?

If an employee finds they are facing a pressing financial need, they might be able to draw on their retirement contributions. Following Internal Revenue Code (IRC) guidelines, Adventist Retirement can allow hardship withdrawals from the Plan for the following reasons:

- Uninsured, deductible medical expenses (as defined for Federal Income Tax purposes) incurred by the employee, the employee's spouse or one or more of the employee's dependents.
- The purchase of the employee's principal residence, excluding mortgage payments.
- The payment of post-secondary education tuition (not Academy tuition) for the next 12 months for the employee, the employee's spouse or one or more of the employee's dependents.



- To prevent eviction from the employee's principal residence or foreclosure on the mortgage of that residence.
- To pay burial or funeral expenses for the employee's deceased parent, spouse, or other dependent, including travel to the funeral.
- To pay expenses relating to the repair or damage to the employee's principal residence that would qualify for the casualty deduction (i.e., damage caused by catastrophic events such as floods, hurricanes, or tornados). The damage must be from an event that is sudden, unexpected, or unusual. Damages resulting from progressive deterioration, normal wear and tear, normal weather conditions, or pest infestation are not considered casualty losses.
- Expenses or losses incurred by the employee on account of a disaster declared by FEMA.

**Please note these additional stipulations:** The employee must need the hardship withdrawal to pay these expenses directly; the IRS specifically prohibits using a hardship withdrawal to repay credit card debt or loans previously incurred to meet these expenses. Supporting documentation must be provided to substantiate hardship distribution requests. Moreover, the hardship must have occurred within the past 12 months, and the hardship withdrawal request cannot cover the same expenses for which a hardship withdrawal has already been taken. Only one hardship per category is allowed in a 12-month period.

## July 1 is Auto-Escalation Time



Your employees who are contributing less than 7% to their Empower Retirement account will have their contribution to Empower Retirement auto-escalated by 1% on July 1, 2022. The same will happen for all employees with an A or N Status Code. A reminder of this increase will go out soon in a letter to employees from Empower Retirement. Yes, it's automatic—unless an employee decides to opt out of auto-escalation. Anyone choosing to forgo the escalation can do so by logging on to [empowermyarp.com](https://empowermyarp.com) or calling 1-866-467-7756, between June 1 and June 30, 2022. Otherwise, that 1% increase will kick in.

That's all we have for this second bulletin of 2022. Once again, we so appreciate the commitment you demonstrate every day. Until next time...!  
**- Your Adventist Retirement Team**