

Understand your options

The following information is meant to provide some of the specific details you may need to know before selecting your benefits. Read through it, and feel free to call us if something isn't clear. You've trusted GuideStone to enhance your financial security throughout your career; you can rest assured that we'll be with you every step of the way through retirement.

How does a GuideStone Fixed Life Annuity Benefit work (Option A)?

Fixed Life Annuity Benefits are payable for either one (Single life) or two (Joint life) lives. This means that you will receive payments for the rest of your life or the lives of both you and your spouse (if named joint life applicant).

The benefit amount is determined by the following: the amount of the account balance used to establish the benefit, the funding rate at the time your benefit is established, your age, whether the payment option selected is a single life or a joint life annuity, and any specified period, cash refund or annual increase option chosen. If you select a joint life annuity, the amount will also be based on the age of your joint life applicant (such as a spouse) and the percentage of your benefit which is payable to him/her.

There are several options you can use to customize either a Single life or Joint life annuity. The selection of any of these options will lower your initial annuity payments.

- ✧ The **cash refund option** can ensure your children or other beneficiaries receive proceeds in the event you (and your spouse or other joint life applicant, if a joint life benefit) pass away before the original purchase price of the annuity is paid out.
- ✧ With the **specified period** option, you can ensure your children or other beneficiaries will receive proceeds in the event you (and your spouse or other joint life applicant, if a joint life benefit) pass away before your chosen period is over. For example, a joint life benefit with a 10-year specified period will pay over the entire lifetimes of both spouses, but should both pass away after 6 years, the beneficiaries will continue to receive payments for the remaining 4 years. Remember, the specified period does not limit the time frame you will receive benefits — they continue for life.
- ✧ A life annuity with an **annual increase option** allows you to receive annual increases in payments of 1%, 2% or 3% to help offset inflation's impact on your retirement benefit. **Unless you choose this option, the payment you receive will not adjust during your retirement.** Remember, this option (as with the other two options) will result in lower initial payments.

How does a GuideStone Installment Benefit work (Option B)?

The Installment Benefit is payable for a specified period of time, until the funds are exhausted or until written notification to change or cancel this payment option is received. The monthly benefit is determined by the amount, percentage or period designated on the *Retirement Benefit Application*. This benefit may be changed or discontinued at any time by completing an *Installment Benefit Change Form*, available by calling GuideStone.

You are responsible for ongoing investment decisions with your Installment Benefit.

There are three basic ways to receive an Installment Benefit:

- ✳ **Equal payments of a specified amount.** A minimum of \$50 is required, but you choose the amount you want deducted from your balance each month.
- ✳ **Percentage of total vested contribution amounts.** This benefit will provide a monthly benefit that varies each month. The benefit amount is calculated by taking the annual percentage, dividing it by 12 to get a monthly rate, then multiplying the monthly percentage by the total account balance. *This method is considered an eligible rollover distribution (for tax purposes) if the annual percentage requested is greater than 14%.* Once the total account value drops below \$1,000, the entire account value may be distributed as a single sum payment.
- ✳ **Paid out over a specified period of time.** This benefit amount varies monthly and is calculated by dividing the total account value by the remaining number of payments. *It is treated as an eligible rollover distribution (for tax purposes) if the payment period is less than 10 years.*

When setting up multiple benefit options, GuideStone funds any annuity, Fixed Period or Single Sum Benefits first, and then makes the remainder available for Installment Benefits.

Many participants choose this benefit (sometimes combined with a Single Sum Benefit, see below) to cover essential expenses that are generally unscheduled, including repairs, maintenance and other routine expenses.

Keep in mind, most financial planners recommend starting your Installment Benefit withdrawal rate at no more than 4% of your account balance annually to reduce the chances of running out of money. It's also important to make sure your portfolio is appropriately allocated to help you reach your retirement goals when choosing this option. To learn more about how to become appropriately allocated, use our complimentary financial advice tool by logging in to *MyGuideStone™* and selecting the Guided Planning Services link. Financial advice provided by GuideStone Advisors, a controlled affiliate of GuideStone Financial Resources.

How does a GuideStone Fixed Period Benefit work (Option C)?

The Fixed Period Benefit is payable as a fixed amount for a specified period. You can choose among three ways to receive your monthly payment:

- ✳ Select a specific monthly amount to be paid over a selected number of months.
- ✳ Receive your entire account balance over a selected number of months.
- ✳ Select a specific monthly amount until the purchase amount is exhausted.

These benefits stop at the end of the payment period. If you die before the fixed period ends, your beneficiary has the option to continue receiving payments in the same amount for the remainder of the payment period, or as a single sum payment. Your employer's plan may limit a Fixed Period Benefit to only a portion of your vested Employer Contributions Account.

How does a GuideStone Single Sum Benefit work (Option D)?

A Single Sum Benefit provides all or part of your benefits to you in one payment. Your employer's plan may limit a Single Sum Benefit to only a portion of your vested Employer Contributions Account. Many participants use this option to cover emergency expenses, such as major repairs or for major medical expenses. Single Sum withdrawals can create adverse tax consequences (contact your tax adviser for more details). Single Sums can only be withdrawn from an accumulations account and not from an established annuity benefit.

If you still have some questions, please call us at **1-888-98-GUIDE** (1-888-984-8433) between 7 a.m. and 6 p.m. CST Monday – Friday. Additionally, you can email us at info@GuideStone.org anytime day or night. (Email requests are generally responded to in one business day.)

The decisions you're making now may impact the rest of your life. We don't want you to rush into any decision, and we stand ready to help you fully understand your options.