403(b) Summary and Disclosure

Mennonite Retirement Trust

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Mennonite Retirement Trust (MRT) was established by Mennonite Church USA to help ministers, missionaries, and employees of Mennonite and related congregations and agencies save funds for retirement. Administered by Everence®, with record-keeping provided by Empower, this 403(b) pension plan (the Plan) provides employees with retirement income to supplement personal savings and Social Security benefits. MRT is qualified as a church plan, and consequently, is not subject to the rules and regulations of the Employee Retirement Income Security Act (ERISA).

You are encouraged to read this booklet carefully to understand how your plan works. This booklet is a summary of the Plan and investment options available. Please refer to these pages first when you have a question about the Plan. This description highlights the main provisions of the Plan and includes important information. However, because this description is just a summary, it cannot describe how the Plan works under every conceivable set of circumstances. In all cases, your rights under the Plan are governed by the Plan's legal document. In the event this summary is inconsistent with the Plan document, the Plan document will control. You may obtain a copy of the Plan document by visiting everence.com/mrt.

MRT offers investment options that are subject to market fluctuations. From time to time, Everence may provide you with information on the past performance of the investment options offered through the Plan. The performance data provided represents past performance, which is not a guarantee of future results. Investment returns and principal value will fluctuate, so that your account, when liquidated, may be worth more or less than its original cost. Current performance may be lower or higher than the performance data provided.

Eligibility, enrollment and contributions

Eligible employers

All Mennonite and related Anabaptist denominations, congregations, and agencies that are tax-exempt, 501(c)(3) organizations are eligible to participate in MRT. Ministers who are self-employed, or serving in a specialized ministry with an employer that is not a 501(c)(3) employer, may also participate. An employer who wishes to participate in MRT will complete an adoption agreement that will identify which employees are eligible to participate and the level of contributions to be made.

Eligible employees

Each employer establishes the eligibility requirements for its employees to participate in the Plan. If you meet the eligibility requirements for participation, your employer will provide you with instructions on how to enroll. It is very important that you complete the enrollment process so we know your contact information, beneficiaries, and investment choices. If you do not designate beneficiaries, or if the beneficiaries you designate do not survive you, death benefits (if any) will be paid in the following order to your:

1. Spouse,
2. Children,
3. Parents,
4. Siblings, or
5. Estate.

If you do not identify how you want your money invested, you will automatically be placed into a Target Date portfolio based on your age.

Contributions

Types of contributions

The Plan can be funded by your employer and your own contributions.

- *Employer contributions* – Your employer decides how much to contribute to the Plan for you. Employer contributions to the Plan are tax-deferred, meaning you will not pay any taxes on this money until you withdraw it.
- *Employer contributions for overseas missionaries* – Contributions for overseas missionaries are eligible for special tax treatment. To receive this tax treatment, your employer must identify the contribution as a missionary contribution at the time the payment is made. These contributions are not included as income at the time they are made, and are paid out tax-free upon withdrawal. However, earnings will be taxable.
- *Employer matching contributions* – Your employer may choose to make contributions based on the amount you personally contribute to the Plan through salary reduction or Roth contributions. Employer matching contributions to the Plan are tax-deferred, meaning you will not pay any taxes on this money until you withdraw it.
- *Salary reduction contributions* – If permitted by your employer, you may make pre-tax contributions (of your own funds) to your Plan account. Your contributions will reduce your taxable income. You will pay taxes on this money at the time you withdraw it.
- *Roth contributions* – If permitted by your employer, you may make after-tax contributions (of your own funds) to your Plan account. Your contributions will not reduce your taxable income. You will not pay taxes on this money when you withdraw it. Unlike earnings on salary reduction contributions, earnings on Roth contributions will also be returned tax-free if withdrawn after you reach age 59 1/2, die, or become disabled, and your Roth account has been in existence for five years.
- *Rollover contributions* – If you have money in an existing employer pension plan, 403(b), or individual retirement account, you have the ability to roll those funds into the Plan. Please call MRT at 800- 298-4801 for more information.

Contribution limits

The total you and your employer may contribute annually to the Plan is limited to 100% of your taxable income up to a certain amount that may be adjusted for inflation each year. Please see your employer for information on your annual limit. Rollovers into the Plan will not count against these limits.

- *Special rules for pastors* – Pastoral housing allowances are not included as taxable income. Pastors, especially those who are part-time where the congregation designates a large percentage of the salary as housing allowance, need to be careful that the employer contribution doesn't exceed taxable income. For example, a part-time minister receives a salary of $15,000, and the congregation designates a housing allowance of $14,000. The pastor has a taxable income of $1,000, and that is the maximum contribution that can be made to the Plan, or any other retirement plan in which the pastor participates through the congregation.

When are contributions vested?

All salary reduction, Roth, and rollover contributions and earnings credited to an account are vested immediately. Your employer may establish a vesting schedule for employer and/or employer matching contributions. Please see your employer for more information. Once vested, you have a right to the money in the account based on the Plan rules that are explained below.

Transfers and rollovers into the Plan

Eligibility

All employees with existing accounts in the Plan, including former participants who previously liquidated their account, may rollover or transfer retirement assets from any other eligible retirement plan. Rollovers or transfers must be done in cash and are subject to MRT approval. You may rollover or transfer funds from the following types of retirement plans:

- *401(a) and 401(k) plans* – You must have terminated employment with the employer that established the retirement plan to roll these funds into the Plan.
- *403(b) plans* – Transfers or rollovers from 403(b) plans generally can be done only if you have had a severance of employment from the employer that established the 403(b) plan. If you are still employed by that employer, but you are currently older than age 59 1/2, you may also be eligible for a transfer or rollover. Check with your current plan administrator or MRT for more information.
- *Traditional IRA* – The Plan can receive only the taxable portion of your IRA, or individual retirement account. If you ever made nondeductible contributions to any traditional IRA, we cannot accept those dollars.

Process
There are two ways to make a rollover contribution to the Plan. The easiest and most cost-effective method is to have the other plan transfer your account balance directly to MRT. This is called a direct rollover. To initiate a direct rollover, you must authorize your previous plan administrator to transfer all or part of the tax-deferred portion of your distribution directly to the Plan. You can do so by completing the other plan's withdrawal paperwork.

The other method is to request a distribution from the plan administrator to be paid directly to you. If the money is coming from a 401(a), 401(k), or 403(b) plan, you will receive only 80% of the taxable amount of the payment. The administrator is required to withhold 20% and send it to the IRS as income tax withholding. To avoid paying taxes on that distribution, you have 60 days from the day you received the payment to deposit it in the Plan. If you want to rollover 100% of the distribution from your previous plan, you must find other money to replace the 20% that was withheld as taxes. If you rollover only the amount you received, you will be taxed on the 20% that was withheld. If you are under age 59 1/2, the taxable amount may also be subject to a 10% tax penalty.

Allocation of contributions, valuation and statements

Accounts
All contributions made on your behalf, along with earnings on those contributions, will be credited to an account in your name. If you have worked with a number of different employers who participate in MRT, additional accounts may be established. You may receive a statement for each employer plan you have participated in.

Allocations
All contributions received in good order will be allocated to your account on the next business day. On that date, MRT translates the contributions received into unit values.

Unit value
MRT calculates the unit value of each investment fund on a daily basis. The unit value is calculated by adding the total value of the fund's investments and other assets, subtracting out liabilities and expenses, and then dividing that figure by the number of outstanding units.

Everence strives to present participants in the MRT risk-based portfolios (conservative, moderate and aggressive) and target-date portfolios with timely performance reporting balanced with the need for accuracy. However, some alternative investments (see "Alternative investments") held in the risk-based and target date portfolios consist of assets for which prices are not readily available. Many of the managers for these alternative investments report valuations to MRT on a quarterly, rather than daily, basis. As a result, unit values of the risk-based and target date portfolios may be higher or lower than their actual value at any given month-end.

Valuation
All accounts are valued on a daily basis. MRT processes liquidation requests daily. (See "Payment of Benefits" for more information. For a discussion of valuation issues related to alternative investments, see the "Investment" section.)

Statements
MRT issues statements that reflect quarterly account activity at the end of each calendar quarter. Account statements are usually mailed during the month following the end of the quarter. You can also request that statements be delivered to you electronically. You can log in to "My Everence" at myeverence.com/mrt and follow the prompts to view your MRT account. You can also access your account by logging into https://participant.empower-retirement.com/participant/#/login (registration required). While there, you can also view your account's recent performance history and activity, which is updated daily.

Investments

Investment management
Everence Trust Company serves as the investment advisor for MRT. All funds are managed in accordance with the MRT Investment Policy Statement, which has been approved by the MRT Trustees (Trustees). The investment policy statement identifies duties, overall performance objectives and benchmarks, manager evaluation criteria, and stewardship investment guidelines established by Everence and approved by Mennonite Church USA to direct the management of Plan assets. While the investment policy statement permits Everence Trust Company to directly manage assets on behalf of MRT, Everence Trust Company often hires professional money managers, including mutual funds, who actually make the investment decisions.

Stewardship investing
MRT offers participants a choice of socially screened and unscreened investment options. MRT assets that are managed by Everence are invested in accordance with the Everence stewardship investing guidelines. Stewardship investing manifests itself in three ways in the funds and portfolios that Everence either manages directly or hires sub advisors to manage, through:

- Company screening,
- Shareholder advocacy, and
- Community development investments.

Investment options not managed or sponsored by Everence follow a distinct method for social screening that may differ from the Everence stewardship investing guidelines.

Performance of socially screened funds may differ from unscreened portfolios that follow the same investment mandate. Portfolios applying social screens may be adversely affected by certain economic and investment environments, which may prevail for several years in a row. Likewise, there may also be environments that benefit social investors because certain sectors and industries are excluded from purchase.

Investment options
You may invest in one of the pre-designed portfolios – or design your own investment strategy. Please be aware that if you do not make an investment selection at the time you begin participation, you will be automatically placed into a Target Date Portfolio based on your age. For help in determining how to invest your money, talk to your Everence representative, or visit everence.com/mrt for the brochure *Deciding how to invest*.

Risk-based and target date portfolios – The conservative, moderate, and aggressive portfolios, and the target date portfolios, are well diversified investment options designed by Everence. These portfolios contain socially screened investment options. We periodically review the investment mix and make adjustments to ensure the portfolios are achieving their investment objectives. The Vanguard LifeStrategy options are not socially screened and are designed by Vanguard. Using the portfolios gives you two benefits:

1. Rather than determining how to allocate your account balance, you only need to decide how much investment risk you are comfortable with, or the year you may retire, and select the appropriate portfolio.
2. With the socially screened risk-based and target date portfolios, you have access to investment managers who are not available to you if you design your own portfolio, and alternative asset classes that are normally available only to institutional investors. The investment advisor may remove or add to these managers at any time.

Alternative investments – Beyond the three primary asset classes – stocks, bonds, and cash – many other types of investments can be used to diversify investment portfolios. The term "alternative assets" is highly flexible. It may include specific physical assets, such as natural resources or real estate, or methods of investing, such as hedge funds or private equity. In some cases, even geographic regions, such as emerging global markets, are considered alternative assets. In the MRT strategic portfolios, we have invested in the following types of alternatives:

- *Venture capital* – Invests in companies that are in the early to mid-growth stages of their development and may not yet have a meaningful cash flow or earnings. In exchange, the venture capital fund receives a stake in the company.
- *Private equity* – Like stock shares, private equity represents an ownership interest in a company. However, unlike stocks, private equity investments are not listed or traded on a public market or exchange, and are not required to register with the SEC. Also, firms that manage private equity investments may be more directly involved with management of the individual business or businesses than the average shareholder. Private equity often requires a long-term focus before investments begin to produce any meaningful cash flow – if indeed they ever do.
- *Distressed-debt* – Firms specialize in taking over the debt of troubled companies, such as those that are in or on the verge

of bankruptcy. They frequently function as private equity firms by forgiving the company's debt in exchange for equity. They often are influential in restructuring or liquidating the company in order to recoup their investment.

- *Natural resources* – Most investments in natural resources such as timber, oil, or natural gas are done through limited partnerships. In some cases, such as timber, the resource replenishes itself. In other cases, such as oil or natural gas, the resource may be depleted over time. Timberland produces income from the trees harvested, but may also grow in value and be converted for use as a real estate development.
- *Private real estate* – Indirect investments are made through an entity that invests in property, such as a real estate investment trust. Real estate has a relatively low correlation with the behavior of the stock market and is often viewed as a hedge against inflation.
- *Commodities* – Physical substances that are fundamental to the creation of other products or to commerce generally. Examples include oil and natural gas; agricultural products such as corn, wheat, and soybeans; livestock such as cattle and hogs; timber; metals such as copper, nickel, and zinc; and precious metals such as gold, silver and platinum. MRT gains access to the returns of commodities in general through a fund that invests in strategies related to a commodities index rather than the physical commodities themselves.
- *Hedge funds* – Private investment vehicles that manage money for institutions and wealthy individuals. They generally are organized as limited partnerships, with the fund managers as general partners and the investors as limited partners. The general partner may receive a percentage of the assets, additional fees based on performance, or both. Though they may invest in stocks and bonds, hedge funds are typically considered an alternative asset class because of their unique, proprietary investing strategies, and use of leverage and derivatives. Participation in hedge funds is typically limited to "accredited investors" who must meet high levels of net worth or ongoing income.

In general, "alternative investments" are very complex, are subject to significant risks, and may increase the volatility of the portfolio. Typically, these investments are less liquid than stocks or bonds, meaning there are usually restrictions on when they can be sold. So why include these types of investments? Part of portfolio management is diversifying investments so that if one type of investment is doing poorly, another may be doing well. Because "alternative investments" have historically reacted differently than stocks and bonds, including these asset classes should increase the diversification of the portfolios. Many alternative assets are poorly correlated with more traditional asset classes like stocks, bonds and cash. In fact, several of these are actually negatively correlated. This means that when stocks are trending down in price, a negatively correlated asset class would be expected to increase in value.

In addition, many alternative investments attempt to achieve their returns not from the activity of the market, but by using unique investing strategies to exploit market inefficiencies that the markets haven't perceived. As a result, alternative assets can provide an additional layer of diversification and complement more traditional asset classes, which may reduce the overall risk of the portfolio and potentially enhance returns. However, diversification alone cannot guarantee a profit or ensure against a loss. You should also be aware that alternative investments:

- *Cannot be easily bought and sold,* because they are less liquid than stocks and bonds. In most cases, there is no secondary market for these types of investments, and MRT must hold them until they mature.
- *Are long-term investments.* It can take up to 10 years or more to potentially realize benefits from the investment. When MRT decides to invest in an alternative asset, we make a commitment of a certain dollar amount. The investment manager for the alternative investment calls these funds when needed. It may take several years before all of those dollars have been invested. However, MRT pays fees to the alternative asset manager based on the amount committed, not called. Upon initial investment, the cost may be more than the actual return, leading to losses in the early years.
- *Rarely purchased directly.* MRT typically uses several different investment managers, or fund of funds, to manage alternative investments.

Deciding what goes into MRT portfolios

Everence investment managers subscribe to portfolio modeling software to develop the asset allocation models used in managing the strategic and target date portfolios. Based on that modeling, Everence investment managers establish certain percentages to place in various asset classes for each portfolio. The investment policy statement, approved by the Trustees, identifies a percentage range for each asset class. The Everence investment managers review the actual allocations in the portfolios on at least a quarterly basis to assure that the portfolios are within the board-approved asset class ranges. The MRT investment policy permits the investment managers some latitude in over- or under-weighting investments in a particular asset class, depending on their outlook for the immediate- to near-term opportunities. However, Everence investment managers are not market timers and believe strongly in the importance of maintaining discipline in implementing a long-term strategic investment policy.

Other investment options available

Self-designed portfolios

Investors who want to take a more active role in choosing where to invest may design their own portfolios, by selecting among the investment options available to MRT participants. MRT does not automatically rebalance these portfolios. If you choose to design your own investment portfolio, we recommend that you review and rebalance your investment choices on an annual basis. Talk to your Everence financial representative for a current list of available investment options.

The Trustees may change the investment options available to you at any time. If the Trustees do make changes, MRT will inform you in advance. Participants should carefully consider the investment objectives and risks of the options available.

This and other important information is contained in each fund's prospectus, which can be obtained by visiting your account online. The strategic and target-date portfolios do not have a prospectus.

Changing your investment selection

You may change your investment selections by calling 800-298-4801 or by visiting your MRT account online. You must register for online access. Changes can be made at any time. We will send you a letter to confirm we received your instructions. Please review that letter and let us know immediately if we misunderstood your instructions.

Expense ratios

The Plan incurs annual fees and expenses associated with managing your account. Known as expense ratios, these fees are expressed as a percentage of the Plan's assets.

The expense ratio includes all investment management fees. The management fee is the fee that is charged by the investment manager, or in the case of a mutual fund, the expense ratio charged to shareholders of the fund. All other operating expenses are taken out of your investment returns each year (which lowers the return you receive).

When using mutual funds, MRT tries to keep the investment fees as low as possible by investing in the institutional class (I share), which is usually the lowest cost share class. I shares do not have a front-end or back-end charge, and do not charge distribution fees, typically referred to as 12B-1 fees. If a fund does not offer an I share, MRT will invest in the lowest cost share class available. If that share class charges a 12B-1 fee, then when possible, MRT will enter into an agreement with the fund whereby the fund will pay those fees back to the participant

MRT uses the Praxis Mutual Funds as investment options. Everence Capital Management Inc. serves as the investment manager of Praxis Mutual Funds and is affiliated with MRT (and Everence Trust Company, the investment manager for MRT).

Operating expenses

The operating expenses are the expenses that Everence and Empower charge to administer the Plan. Operating expenses are made up of two elements: A recordkeeping fee and administrative fee. These fees will be applied to participant accounts quarterly. Participant accounts that are liquidated will be charged a pro-rata amount of the monthly fee before the liquidation is processed. The total administrative fee is determined by the fee tier of your employer. You can find the total fee charged to your account on the Fee Disclosure provided by Empower.

Payment of benefits

You may withdraw funds from MRT after the occurrence of one of the following:
- Turn age 62 and continue to work (see phased retirement below),
- Termination of employment,
- Financial hardship,
- Retirement,
- Disability, or
- Death.

A distribution fee of $50 will be charged for each distribution. The fee will not apply to distributions that are set up to pay on a monthly, quarterly, semi-annual or annual basis.

The Internal Revenue Service requires you to begin receiving a minimum amount annually from your MRT account by a specific deadline, which is based on your age and retirement status. This deadline is determined by applicable federal regulations. You are responsible for receiving an adequate payment from your account to cover this requirement. See your tax advisor if you choose this option. Please be aware that withdrawals from other retirement accounts (i.e., IRAs) will not satisfy the IRS minimum distribution requirement for MRT, and withdrawals from MRT will not satisfy the IRS's minimum distribution requirement for your IRAs.

Termination of employment

To have a termination of employment for purposes of MRT, you must not be employed by any employer that has adopted this plan or the Mennonite Retirement 401(a) plan. When you terminate employment, you can:
- *Leave your money in the MRT account.* You will continue to have the same investment options as all other participants.
- *Withdraw your money and claim the distribution as income.* MRT is required to withhold 20% of the taxable amount of this distribution for taxes and pay it to the IRS. If you are living overseas, or you are not a U.S. citizen, different tax-withholding rules may apply. Your distribution will be subject to a 10% tax penalty unless an exception applies (see "Tax considerations.")
- *Roll your account into another eligible retirement plan.* An eligible retirement plan is a 403(b) plan; a qualified 401(a) plan, including a 401(k) plan; a governmental 457(b) plan; or an IRA. There are two ways to roll your account over to an eligible plan. The easiest and most cost-effective method is to transfer your account balance directly to the eligible retirement plan. This is called a direct rollover. The other method is to request the distribution be paid directly to you. If you receive the funds directly, you will receive only 80% of the taxable amount of the payment because MRT is required to withhold 20% and send it to the IRS as income tax withholding. To avoid paying taxes on that distribution, you have 60 days from the day you received the payment to deposit it into an eligible retirement plan. If you want to roll over 100% of the distribution from MRT, you must find other money to replace the 20% that was withheld as taxes. If you rollover only the 80% you received, you will be taxed on the 20% that was withheld for taxes. If you are under age 59 1/2, the taxable amount may also be subject to a 10% tax penalty.

Retirement

At retirement, you may begin receiving fixed periodic payments or take a lump-sum distribution. If you don't want to begin receiving payments right away, you can defer distributions until the deadline required by federal regulations, which is based on your age and retirement status.

Lifetime payments – If you would like to receive benefits over your lifetime or a fixed period, you may choose to purchase an income annuity from an insurance company. See your Everence financial representative to review your options.

Fixed installments – You may choose to receive payments in an amount you specify (at least $50 per payment). You will continue to control the investment of your account with this option. The payments will continue as long as you have money in the account. The IRS requires you to receive a minimum distribution from your account by a deadline based on your age and retirement status. Ensure the fixed amount is sufficient to meet this requirement in accordance with federal regulations. If you die before your account balance is exhausted, the remainder will be paid to your beneficiaries.

Disability
Disability is defined as the inability to engage in any substantial, gainful activity because of a physical or mental impairment that can be expected to last for at least 12 months or result in earlier death. MRT will determine if you meet this requirement based on medical evidence that you provide. If you are disabled, you can begin receiving benefits as outlined above under termination and retirement.

Death
Upon your death, your beneficiaries must provide a copy of your death certificate. If you have designated more than one beneficiary, each will share equally in the benefit unless you specified a different allocation. If you do not designate beneficiaries, or if the beneficiaries you designate do not survive you, death benefits (if any) will be paid in the following order to your:
1. Spouse,
2. Children,
3. Parents,
4. Siblings, or
5. Estate.

Beneficiaries have the following options to receive benefits:
- Receive a lump-sum distribution that is taxable in the year received.
- Rollover the benefit to a beneficiary IRA and receive distributions from that account.

If your spouse is listed as the primary beneficiary, special rules will apply. Please call MRT at 800-298-4801 for more information.

Distributions while still employed
Depending on the type of contributions made to your account, you may be able to withdraw funds while you are still employed. Special rules apply if you are age 62 or older and are still employed. See "Phased retirement" below for more information.
- *Employee salary reduction or Roth contributions* – You must be terminated from employment before you can withdraw salary reduction or Roth contributions unless you have a financial hardship. Please call MRT at 800-298-4801 for more information.
- *Rollover contributions* – You can withdraw all or a portion of your rollover contributions and earnings, unless the rollover came from a plan established by your current employer. In that circumstance, you must be terminated before you have access to this money.
- *Phased retirement* – If you are age 62 or older and continue to work for your employer, you may begin to receive benefits from your account as if you were retired. This option is designed for people who are transitioning into retirement, possibly working fewer hours per week. Please see Payment of Benefits above for the options available to you. If you are still receiving contributions from your employer, you must leave at least $5,000 in your account. Please call MRT at 800-298-4801 for more information.

What is the process for withdrawing funds?
To withdraw funds from your account, or establish a periodic distribution, please complete and mail in the appropriate distribution form, or request the distribution online. Withdrawal requests are processed daily. The timing for processing your request is dependent on when we receive your request and whether the paperwork is in good order.

Returning to work after receiving benefits
If you return to work (for a MRT employer) after you've started receiving benefits, you will continue to receive your distributions from MRT unless you request that they be stopped.

Tax considerations
The taxation of your distributions will depend on the type of money being distributed. The following information provided is for informational purposes only and should not be considered as offering specific tax or legal advice. Please consult with a tax professional regarding your individual circumstances.

- *Employer contributions and matching contributions* – Contributions and earnings must be included in taxable income.
- *Overseas missionaries' contributions* – Contributions are returned tax-free, but the earnings are taxable.
- *Salary reduction contributions* – Contributions and earnings must be included in taxable income.
- *Roth contributions* – Contributions are returned tax-free. Earnings on these contributions will also be returned tax-free if withdrawn after you reach age 59 1/2, die, or become disabled, and your Roth account has been in existence for five years. Otherwise, earnings must be included in taxable income.
- *Rollover contributions* – Distributions are generally included in taxable income.
- *Penalty tax* – A 10% tax penalty will apply for any taxable amount withdrawn prior to age 59 1/2. Certain exceptions to this penalty will apply if:
  – You are over age 59 1/2.
  – Distributions are being made due to death or disability.
  – You use the distribution to pay for certain medical expenses.
  – You receive the distribution in substantially equal periodic payments over your life expectancy.
  – You terminate employment after age 55.

MRT will issue a Form 1099R in January following the tax year you receive a distribution. The 1099R will reflect the amount you received, the amount that should be claimed as income, and any taxes that MRT withheld. If you are not a United States citizen, you may receive Form 1042S instead of Form 1099R.

Tax rules for pastors
If you are a commissioned, licensed, or ordained minister that qualifies for housing allowence, and you received retirement contributions during the time you were in the ministry, all or a portion of the distributions from MRT may be excluded from federal income tax as a housing allowance. To receive this benefit, you must elect housing allowance treatment on a form we will provide. MRT automatically designates 100% of your distribution as housing allowance. However, the amount you can actually exclude from income will be the lesser of the actual amount of your housing expenses, the fair rental value of your furnished residence plus utilities, or your total distribution. Please consult with your tax advisor for more information.

In-plan Roth rollover

If your employer allows this option, you may rollover the non-Roth portion of your account into a designated Roth account within your MRT 403(b) plan. This includes pre-tax salary reduction contributions, vested employer and employer matching contributions, rollovers from other retirement plans and earnings. The amount rolled over will be included in your gross income in the year the rollover is completed. Once an in-plan Roth rollover has been completed, it cannot be reversed. Once the pre-tax money has been rolled into the designated Roth account, the assets grow tax-deferred until they are withdrawn. Since the participant has already paid taxes on the amount converted, that portion of the withdrawal is tax-free. The earnings will also be tax free if the withdrawal is taken after the in-plan Roth rollover account has been opened for at least five tax years, and the distribution is made on or after the date the participant reaches age 59 ½, becomes disabled, or dies. If a withdrawal is taken prior to this time, the earnings may also be subject to the 10% federal tax penalty unless an exception applies.

You should consult with your tax advisor before you request an in-plan Roth rollover. For more information, please talk with your employer or your Everence representative.

Administrative provisions

Limitation of liability
The Mennonite Church USA Executive Board (Sponsor), your employer, or the Trustees do not guarantee the Plan in any manner against loss or depreciation. Your employer and the Trustees will not be liable for any act or failure to act that is made in good faith pursuant to the terms of the Plan. Your Employer will not be liable for any act or failure to act on the part of the Trustees.

Amendment
The Sponsor reserves the right to alter or amend the Plan. No modification or amendment will make it possible for assets of MRT to be used for or diverted to, purposes other than the exclusive benefit of participants and their beneficiaries. No modification or amendment will reduce any accrued benefits. However, each employer retains the right to change the stipulations in the Adoption Agreement, and such a change will not be deemed an amendment to the Plan.

Termination
It is the present intention of the Sponsor to maintain this Plan throughout its existence. Nevertheless, the Sponsor may terminate the Plan at any time and may direct and require the Trustees to liquidate MRT. In the event the Sponsor ceases to exist, the Plan will terminate and the MRT will be liquidated, unless continued by a successor.

Liquidation of Trust Fund
Upon termination of the Plan, the interest of each participant and beneficiary will become fully vested. The assets of MRT will be liquidated by payment to each participant and beneficiary of the amount credited to the participant's or beneficiary's account after provision is made for the expenses of liquidation, and after the accounts have been adjusted to reflect earnings or losses of MRT.

Cessation of participation
An employer may withdraw from this Plan or cease all future contributions to this Plan, upon proper written direction to MRT. The amounts maintained in participant accounts will remain to be used by the Trustees to pay benefits to or on behalf of the affected participants.

If an employer withdraws from the Plan and the Plan is amended or restated by the adopting employer with a new trustee being designated, the Trustees, in their sole and absolute discretion, may transfer assets attributable to that employer to the new trustee, upon receiving an opinion of counsel or other satisfactory evidence that such a transfer is legally permissible.

Manner of distribution
Any distribution to participants or beneficiaries after termination of the Plan or upon withdrawal of any employer from the Plan may be made to the extent that no discrimination in value results as the Trustees may determine. Because MRT invests in certain investments that are illiquid, the Trustees in their sole discretion may delay any distribution, if in their opinion, remaining participants in the Plan could be harmed by such a distribution.

Notification of mailing address
It is very important for you to keep MRT informed of your current address and the current address of any beneficiaries you may designate under the Plan. When you or a beneficiary becomes entitled to benefits, MRT will contact you or the beneficiary. If MRT does not have your current address, we will try to locate you. However, MRT is not under any obligation to search for you or ascertain the whereabouts of you or your beneficiaries. Any check representing payment due under this Plan, and any communication forwarded to you at the last known address as indicated by the records of MRT, will constitute adequate payment to you and will be binding on you for all purposes of the Plan. This notification requirement applies in all respects to any of your beneficiaries who may be entitled to benefits under this Plan.

Notice to participants
The National Securities Markets Improvement Act (the "Act") signed into law on Oct. 11, 1996, exempts church plans from federal and state securities laws, except for anti-fraud provisions. To qualify for the exemption, church plans must satisfy eligibility requirements under Section. 414(e) of the Internal Revenue Code and the assets of church plans must be used exclusively for the benefit of plan participants and beneficiaries. Church plans continue to be subject to the Internal Revenue Code and its regulations regarding eligibility, governance, and operations of such plans. The following notice is provided in accordance with the Act:

The Plan or any company or account maintained to manage or hold assets of the Plan and interests in such Plan, companies, or accounts are not subject to registration, regulation, or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title15 of the United States Code, or State securities laws. Therefore, plan participants and beneficiaries will not be afforded the protections of those provisions.

Pension plan facts

Plan name
The official name is the Mennonite Retirement 403(b) Plan.

Plan administration
The Plan is administered by:
Everence Trust Company
P.O. Box 483
Goshen, IN 46527
Fax: 574-537-6636

Daily record-keeping and customer service is provided by:
Empower
P.O. Box 173764
Denver, CO 80217-3764
800-298-4801

Plan year
Plan records are kept on a plan-year basis, Jan. 1 to Dec. 31.

Type of plan
The Plan is a 403(b)(9) retirement income account.

Plan funds
The Plan funds are managed by MRT for the exclusive benefit of Plan participants and beneficiaries, including payments of the administrative costs of the Plan.

Agent for legal process
Any legal process related to the Plan should be directed to the Everence office at the address listed under "Plan administration."

Assignment of member benefits
Contributions to this plan are intended to grow and provide you with retirement income. Under no circumstances may you or your beneficiary assign expected benefits.

Exclusive benefit of the Plan
No part of MRT shall be used for, or diverted to, purposes other than for the exclusive benefit of participants and beneficiaries, provided this requirement shall not prevent the payment of reasonable administrative costs to administer the Plan.

Appeal of claims
In the event of an unresolved disagreement, MRT will select one person as an arbitrator, and you or your beneficiary will select one person as an arbitrator. Together, these two arbitrators will select one person as a third arbitrator. The opinion of the arbitrators will be given to MRT for its guidance in making the final decision on the issue in question. In the event of a unanimous finding of the arbitrators in favor of the participant or beneficiary, MRT will be bound by the finding.

Participants' handbook and legal document discrepancies
In all cases, your rights under the Plan are governed by the Plan's legal document. In the event this summary is inconsistent with the Plan document, the Plan document will control. You may obtain a copy of the Plan document by calling Everence at 800-348-7468 or by visiting everence.com/mrt.

Mennonite Retirement Trust
Administered by Everence®

1110 N. Main St.
P.O. Box 483
Goshen, IN 46527
everence.com

Toll-free: 800-348-7468
T: 574-533-9511
F: 574-537-6636