



# Glossary

## Helpful Definitions

For a complete list of all YMCA Retirement Fund related terms, go to [www.retirement.org](http://www.retirement.org).

### 403(b) Smart Account

Voluntary contributions made pre-tax by the employee through payroll deduction to the Tax-Deferred Savings Plan, plus interest credits. Taxes on the principal and earnings are deferred until distributions are received.

### After-Tax Account

After-tax, voluntary contributions made through payroll deductions or in a lump sum, plus the interest credited.

### Anniversary Date

The calendar date each year after the date of hire.

Example: Mark was hired on March 12, 2009. His Anniversary Date is March 12.

### Anniversary Year

An Anniversary Year is 12 months of employment after the hire date.

Example: Mark was hired on March 12, 2009. His anniversary year will run from March 12, 2009 until March 11, 2010.

### Annuity

Retirement income that is paid on a regular schedule for life, or for the life of a participant and his/her survivor.

### Beneficiary

The person or organization designated as the recipient of benefits after death.

### Compensation

The amount of a participant's wages and compensation that is reportable in Box 1 of IRS *Form W-2*, plus any amounts contributed on a pre-tax basis via a salary reduction plan, minus any severance payments paid after termination of employment.

### Contribution

Money sent to the YMCA Retirement Fund, either by a YMCA or as a payroll deduction or lump sum from an employee.

### Distribution

Money withdrawn by a terminated participant from any of their accounts, or sent to them as a result of a plan or IRS rule.

### Early Withdrawal Tax

A 10% federal excise tax that applies to Plan participants who are under the age of 59½ and take a lump-sum distribution.

### Eligibility

The requirements of the Retirement Plan that an employee must meet in order to participate.

### Enrollment Date

The first of the month following the Anniversary Date after an employee meets the Plan's eligibility requirements. If the Anniversary Date is the first of the month, then the Enrollment Date and Anniversary Date are the same.

### Equivalency Rule

U.S. Department of Labor regulations for determining hours of service where a YMCA does not track hours worked. The method to be used is based on your YMCA's payroll frequency. Refer to Section 2.2(b)(iii) of the Retirement Plan document for details.

### ERISA

The Employee Retirement Income Security Act of 1974, as amended. A federal law which sets minimum standards for most pension plans and protects the individuals under them.

### Fiduciary

A person or organization responsible for taking care of someone else's plan money, or responsible for plan administration per ERISA.

### Forfeitures

All contributions and interest in a *YMCA Account (Legacy)* that a non-vested participant loses if they leave and do not return to active YMCA service within six years. This total amount is applied to their YMCA as a credit, which the YMCA then uses to reduce its future YMCA contributions.

### Health Savings Account (HSA)

A type of savings account that allows people to save for current and future medical expenses on a tax-free basis. In order to be eligible to open an HSA, a person must be covered by a qualified High Deductible Health Plan (HDHP).

### High Deductible Health Plan (HDHP)

A type of medical insurance plan with a lower premium and a high deductible. An individual with a qualified High Deductible Health Plan (HDHP) may save in a Health Savings Account (HSA).

### Interest Credits

A percentage set by the Fund's Board of Trustees that is paid to the participants' accounts under the Fund's Plans.

### Joint & Survivor Annuity

An annuity that will continue paying some or all of the retiree's annuity to a survivor after the retiree's death. Depending on the retiree's chosen annuity option, the survivor will receive a lifetime annuity equal to 50%, 75% or 100% of the annuity paid to the retiree.

**Leased Employee**

Employees who perform services for a YMCA under a contract between a leasing organization and the YMCA.

**Local Plan Administrator**

An employee of a local YMCA who is responsible for the processing retirement information and contributions for the local staff.

**Maximum Annuity Option**

An annuity option that provides a monthly annuity for life. Upon your death, there is no benefit paid to a survivor or beneficiary.

**Participant**

A person who has an account in the Retirement Plan.

**Personal Account**

Contributions to the Retirement Plan paid either by the participant or by the YMCA, as determined by the individual YMCA's participation agreement with the YMCA Retirement Fund, plus the interest credited.

**Pre-Eligible Employee**

An employee of a YMCA who is not yet eligible to participate in the Retirement Plan. Pre-eligible employees may open and make contributions to a 403(b) Smart Account or roll money into a Rollover Account from the first day of employment.

**Resolution to Participate**

The legal document which defines the terms and conditions of a YMCA's participation in the Retirement Plan and Tax-Deferred Savings Plan.

**Retired Death Benefit**

An amount that is set aside at the time of retirement for use as a death benefit. The amount of the Retired Death Benefit is equal to the first year's maximum annuity based solely on the basic plan contributions.

**Retirement Age**

The age at which you choose to begin receiving your annuity. The earliest retirement age is 55.

**Retirement Date**

The first day of the month when you choose to begin your annuity. The retirement date must be after you sever YMCA employment.

Example: John is age 62 and his last working day at the YMCA is October 12, 2010. He may choose a Retirement Date anytime on or after November 1, 2010.

**Rollover Account**

Pre-Tax retirement savings transferred to the Tax-Deferred Savings Plan from an eligible employer plan under IRS Code Section 401(a), 401(k), 403(a), 457(b), a tax-sheltered annuity under IRS Code Section 403(b) or a Traditional IRA, or tax-deferred money from a SEP IRA or SIMPLE IRA plan. Amounts rolled over to the Retirement Plan before March 1, 2003, are accounted for under that Plan.

**Single Life Annuity Option**

This option provides a monthly annuity check for life. Upon death, there is no annuity benefit paid to a survivor.

**Special Dividends**

Amounts paid in addition to a retiree's twelve regular monthly annuity payments if and when voted by the Board of Trustees.

**Termination Date**

The first day of the month following a participant's final compensation.

**Transition Period**

A period of up to six years during which a terminated participant may return to YMCA employment and resume participation immediately.

**Vesting**

When a right to collect a benefit is non-forfeitable.

**Voluntary Accounts**

403(b) Smart Accounts, After-Tax Accounts, and any Rollover Account.

**Withdrawal**

Money elected by an active participant to be taken out of a Voluntary Account.

**YERDI**

The YMCA Electronic Retirement Data Interchange is the web-based application that enables YMCAs to enter and maintain compensation and contribution data pertaining to their employees' participation, and to transfer that information electronically to the YMCA Retirement Fund.

**YMCA Account**

Contributions to the Retirement Plan paid by the YMCA, plus the interest credited, for payroll dates on or after July 1, 2009, determined by the individual YMCA's participation agreement with the YMCA Retirement Fund.

**YMCA Account (Legacy)**

Contributions to the Retirement Plan paid by the YMCA, plus the interest credited, for payroll dates prior to July 1, 2009, determined by the individual YMCA's participation agreement with the YMCA Retirement Fund.