



*“From Where I Sit ...”*

## **How to Obtain a “Withdrawal” Disbursement from The CME Retirement Plan**

In the last article, the procedure to obtain a “retirement” disbursement from the CME Retirement Plan was articulated. In this article, the procedure to obtain a “withdrawal” disbursement will be explained.

Withdrawal (from the CME Church) is one of only two methods by which a participant can receive his or her accumulated retirement benefits. Every person who has participated in the CME Retirement Plan does not always remain in the CME Church until attaining the age of retirement. Those who choose to make an earlier decision to go in another direction with their ministries or with their employment do not lose their vested benefits in the Plan.

To receive a withdrawal disbursement from the retirement Plan, the participant must notify the Board of Personnel Services via letter or email stating the effective date of their withdrawal and that they are no longer a member of the CME Church. If not previously informed, **the Presiding Bishop should also be notified!** Upon receipt of the notice, the Board of Personnel Services will send the necessary forms to be completed along with a self-addressed envelope. The office will also send to the Presiding Bishop a verification form to complete certifying that the participant has withdrawn and the date of the conference when the withdrawal will be recorded. These forms must be fully completed and returned to our office by the **second (2<sup>nd</sup>) Friday** of the month of the planned disbursement (**March, September, or December**). As with a retirement disbursement, if the paperwork is fully completed, the withdrawal disbursement will be mailed (via certified USPS mail) by the end of the respective month. If the forms are incomplete or not received by the deadline, the distribution package moves to the next distribution date following receipt of completed forms.

Things to be aware of such as: 1) Withdrawal disbursements are eligible for partial or full rollover just as are retirement disbursements and under the same terms; 2) Like retirement disbursements, any amount requested to be paid to the participant will be subject to a 20% required withholding which will be forwarded to IRS as a deposit against the participant’s potential tax liability; 3) Withdrawal payments disbursed directly to participants who are under 59½ may be subject to a penalty tax by IRS for such an early distribution, so withdrawal participants are encouraged to secure adequate tax consultation to minimize any such exposure; 4) When a participant withdraws, their current disability and life insurance (*including spousal insurance*) is discontinued; and 5) The withdrawing participant is ineligible to participate in the CME Retiree Insurance Plan.

We regret when ministers withdraw from the CME Retirement Plan and we recognize the immense challenge placed on their futures and their families. However, the record shows that some who had previously withdrawn have returned “to their first love” and with open arms the CME Church has welcomed them. *Or at least that’s the way it looks to me ...*

*“From Where I Sit”*

Tyrone T. Davis, D.Min, is the General Secretary of the Board of Personnel Services

*(Copies of earlier articles may be found on the*

*Personnel Services Webpage of the CME Website at [www.thecmechurch.org](http://www.thecmechurch.org))*