



403 (b) RETIREMENT PLAN

EMPLOYEE BOOKLET



Helping Churches Grow

Dear Friend:

Congratulations! The booklet you have received contains everything you will need to open a 403(b) retirement investment with CDF Capital. When you invest your retirement dollars with CDF Capital, you take a great step toward your future and at the same time you are helping churches grow.

You may choose to invest your 403(b) dollars in CDF time certificates (terms range from one to five years) or no-term "Flex Certificate" investments. Your interest rate will depend on the terms of your certificate and the amount you choose to invest.

Go to the website, www.CDFcapital.org/rates, to see today's current yields and be sure to look at the Retirement Certificates section to see the yields that pertain to your investment.

Thanks to investors like you, CDF has provided loans to more than 1,000 independent Christian churches and ministries since 1953. Can you think of an investment where you **know** how your funds are being used?

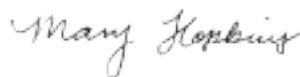
At CDF we have one mission: helping churches grow. Your investment will do just that.

Please note: While the Q&A section of this booklet does not specifically mention this option, you may choose to invest after-tax deferrals into a Roth 403(b) – which may provide tax-free benefits at retirement. The Roth 403(b) deferral option may need approval from the Plan Administrator. There are tax differences between a Traditional and Roth 403(b), so if you are unsure whether a Roth 403(b) is right for you, please contact your tax advisor.

You can begin contributing to a CDF 403(b) investment right away; just follow the simple instructions in this booklet. If you would like to rollover funds from another retirement plan, such as a 401(k) or an IRA, you may do so by completing the "Request for Direct Rollover" form at the back of the booklet.

Thank you for considering CDF Capital as your partner in ministry, and for your commitment to the cause of Christ. All of us at CDF look forward to serving you.

Sincerely in Christ,



Mary Hopkins
Senior Investment Servicing Representative
403B@CDFcapital.org

HOW TO OPEN YOUR 403(b) INVESTMENT

The CDF Capital™ 403(b) plan is offered to help local churches and ministries provide a vehicle through which employees can prepare for retirement. The following are the necessary steps to be taken for you to be able to establish a 403(b) through your ministry.

1. YOUR MINISTRY ADOPTS THE 403(b) PLAN.

The Board of Directors of your church or ministry must establish this 403(b) plan for you to participate. Your employer has received a booklet which contains the information your ministry needs to set up a 403(b) plan. A sample plan agreement is available to your employer upon request.

2. FAMILIARIZE YOURSELF WITH THE CDF CAPITAL™ 403(b) PLAN.

Read through the Q & A on pages 3–5 and feel free to call us with any questions. Read through the Offering Circular before making any investments.

3. FILL OUT THE 403(B) PLAN ENROLLMENT & INVESTMENT FORM.

4. COMPLETE THE 403(B) SALARY DEFERRAL AGREEMENT FORM.

This is an agreement between you and your church or ministry as to the amount and the timing of your salary reduction. This form is kept on file by your employer. Your employer may provide you with its own salary deferral agreement.

5. COMPLETE THE REQUEST FOR DIRECT ROLLOVER FORM (IF APPLICABLE).

This is to be completed only if you are transferring assets directly from an existing IRA, 401(k), or 403(b) plan to your CDF Capital™ 403(b) plan.

6. TURN IN ALL OF THESE FORMS TO YOUR EMPLOYER.

Aside from the Salary Deferral Agreement, your employer is to send in the completed forms to CDF Capital™ with your initial investment and set-up fee. The initial investment should be for a minimum of \$100 and, as with all 403(b) investments, is to be sent in by the employer.

QUESTIONS AND ANSWERS

A glossary has been included on page 15 of this booklet.
Each word included in the glossary is italicized and underlined in the text.

Q. HOW DOES A 403(b) PLAN WORK?

A. A 403(b) plan permits you to authorize your church or ministry (as your employer) to make pre-tax salary deferral contributions to a retirement account. You decide the amount that you wish to invest. Your employer sends a check to CDF Capital™ each month for that amount, which is deducted from your salary. Your investment then accumulates tax-deferred. You cannot make contributions to CDF Capital™ directly; they must be made through salary deferral.

Q. WHAT INTEREST YIELD DOES CDF CAPITAL™ PAY ON THE 403(b)?

A. CDF Capital™ pays a competitive interest yield on this plan. For a complete list of current yields and rates, please call 888-540-7112 or visit www.CDFcapital.org/rates.

Q. HOW MUCH CAN I CONTRIBUTE?

A. Guidelines allow you to contribute up to **the lesser of** 100% of your salary (minus housing allowance), or \$18,500 per year.

The combined employer/employee 403(b) contribution cannot exceed **the lesser of** \$55,000 or 100% of your adjusted compensation (minus housing allowance).

Q. IS IT TRUE THAT I CAN CONTRIBUTE MORE TO MY 403(b) IF I'M 50 OR OLDER?

A. Yes. Catch-up contributions can be made over and above your maximum contribution level. Anyone 50 or older in the year of contribution can make a catch-up contribution of up to \$6,000 to their 403(b) plan.

Q. AS A MINISTER, I HAVE A HOUSING ALLOWANCE. IS THAT CONSIDERED PART OF MY ANNUAL INCOME?

A. Your housing allowance is **not** taxable income; therefore it cannot be used to calculate your salary for your 403(b) plan.

For example, if your adjusted compensation is \$10,000 (after subtracting your housing allowance), the maximum you could contribute to your 403(b) plan that year would be \$10,000 (100% of your adjusted compensation).

If you are age 50 or older, you may make catch-up contributions over and above your maximum contribution level.

Q. WHAT HAPPENS IF I CONTRIBUTE TOO MUCH?

A. If you go over the maximum contribution limit, the IRS will impose a 6% penalty tax on the excess amount. This tax is imposed every year, until the excess amount is corrected. By under-contributing in subsequent years, you may be able to decrease or eliminate the excess.

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Q. CAN I STOP MAKING CONTRIBUTIONS DURING THE YEAR?

- A.** Yes. To do so, simply inform your church or ministry of your desire to stop making contributions.

For details on stopping or resuming contributions, please contact the CDF Capital™ 403(b) department at 888-540-7112 or 403b@CDFcapital.org.

Q. CAN I CHANGE THE AMOUNT OF MY CONTRIBUTION ONCE MY PLAN IS UNDER WAY?

- A.** Yes. IRS regulations permit you to change your salary deferral election during the tax year.

Q. HOW OFTEN DO I CONTRIBUTE?

- A.** The number of contributions you make in a year is determined in the agreement you make with your church or ministry, as your employer. The most common form of contribution is once each pay period.

Q. WHAT HAPPENS IF I LEAVE MY PRESENT EMPLOYER?

- A.** If you go to work for another not-for-profit ministry, you may be able to arrange with them to continue making contributions to your CDF Capital™ 403(b). If your new employer is not eligible, or chooses not to participate, you may maintain your present 403(b) with CDF Capital™ or transfer your account to another 403(b) or an individual retirement account (IRA).

Q. CAN I TRANSFER AN EXISTING 403(b) ACCOUNT TO CDF CAPITAL?

- A.** Yes. You can easily transfer the assets of your existing plan into CDF Capital's 403(b) plan. Fill out the Request for Direct Rollover form, return it with your application, and CDF Capital™ will arrange to have funds transferred directly from your current trustee.

Q. WHEN MAY I START WITHDRAWING FROM MY ACCOUNT?

- A.** The plan allows you to make withdrawals (i.e. take distributions) without penalties for the following reasons only:
- Attainment of age 59 1/2
 - Disability (severe)
 - Death (funds distributed to your chosen beneficiary)
 - Hardship (only your employee contributions are available for distribution). The IRS generally recognizes the following hardships as cause for distribution from a 403(b):
 - Medical expenses
 - Tuition for a family member
 - Threatened foreclosure or eviction from home
 - Purchase of primary residence

Other types of withdrawals may cause you to incur tax penalties.

QUESTIONS AND ANSWERS

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Q. WHEN AM I REQUIRED TO TAKE DISTRIBUTIONS FROM MY 403(b)?

- A.** You are required to begin taking distributions no later than April 1 of the calendar year following (the later of):
- The calendar year in which you become 70 1/2
 - The calendar year in which you retire from employment with the employer maintaining your plan.

Example 1: If you are retired from the employer maintaining your plan and you turn 70 1/2 any time during 2016, then you must begin taking distributions before April 1, 2017.

Example 2: If you are 75 when you retire from your employer in 2016, then you must begin taking distributions before April 1, 2017.

Example 3: If you are still working for your employer and attain age 70 1/2 you are not required to take distributions until April 1 of the year after you retire.

Q. HOW DO I MAKE WITHDRAWALS?

- A.** Withdrawals (distributions) may be received in one lump sum payment or in periodic installments. You may base the amount of periodic payments on your life expectancy. Whatever your distribution is, it is taxed as ordinary income in the year withdrawn. All distributions from your 403(b) are subject to withholding of federal taxes. CDF Capital™ can help you with all of your withdrawal requirements, which are determined by your church or ministry's plan agreement.

403(b)(9) ENROLLMENT & INVESTMENT FORM



PO Box 19700, Irvine, CA 92623-9700
Fax: 866.303.9360

For individuals employed by a qualified ministry with an established 403(b) plan with CDF Capital.

If you have additional questions about this application please call (888) 540-7112.

The offer and sale of CDF securities ("Certificates") are subject to the terms and conditions of CDF's Offering Circular, dated May 1, 2016, as may be supplemented, amended and restated ("Offering Circular"), which is incorporated herein in full by this reference. CDF reserves the right to refuse your application and not offer to sell any Certificate to you for any reason.

New Application Change of Information

SUBMIT THIS FORM TO YOUR EMPLOYER

FOR OFFICE USE ONLY

Security Number: _____

Initial Interest Rates: _____ %

Representative: _____

Church Plan on File: Yes No

I. EMPLOYEE INFORMATION

Name (First/Mi/Last) _____

Social Security Number _____

Date of Birth (mm/dd/yyyy) _____ Marital Status Single Married Widowed

Address (No P.O. Boxes, please) _____

City _____ State _____ ZIP _____

Email Address _____

Mobile Phone _____ Work Phone _____

II. EMPLOYER INFORMATION

Church/Organization _____

Contact Person _____

Address (No P.O. Boxes, please) _____

City _____ State _____ ZIP _____

Email Address _____

Mobile Phone _____ Work Phone _____

III. INVESTMENT TYPES & TERMS *(If you have questions, please call (888) 540-7112) See #5 for Electronic Transfer of Funds.*

- No Term** - \$25 minimum
- Retirement Certificate** - \$100 minimum
- Investment Term: 1 year 3 years 5 years Other term (for Special Certificates) _____ months
- Presidential Certificate** - \$250,000 minimum
- Presidential Flex Certificate (no term) _____ % (yield)
- Presidential Time Certificate _____ (term) _____ % (yield)

Comments: _____

IV. CONTRIBUTION TYPES

- Participant Deferrals (Complete 403(b)(9) Agreement for Salary Deferral) Direct Rollover of Assets (Complete Direct Rollover Request Form)
- Participant Roth contributions (if applicable)

V. DISTRIBUTION UPON DEATH *Please attach a separate sheet for additional beneficiaries and information*

The following individuals are designated as my primary and/or contingent beneficiaries. If neither primary nor contingent is indicated, the individuals will be deemed as primary. The total percentage designated must equal 100%. If more than one beneficiary is designated and no percentages are indicated, the beneficiaries will be deemed to own equal share percentages.

If any primary or contingent beneficiary dies before I do, his or her interest and the interest of their heirs shall terminate completely, and the percentage share of my remaining beneficiaries shall be increased on a pro rata basis. If no primary beneficiary survives me, the contingent beneficiaries will acquire the designated share of my investment.

This election will remain in place unless changed in writing.

Form continued on next page

V. DISTRIBUTION UPON DEATH (CONTINUED)

Primary Contingent Share _____ %

Name	Relationship	Social Security or Tax ID Number		
Address	City	State	ZIP	Phone

Primary Contingent Share _____ %

Name	Relationship	Social Security or Tax ID Number		
Address	City	State	ZIP	Phone

Primary Contingent Share _____ %

Name	Relationship	Social Security or Tax ID Number		
Address	City	State	ZIP	Phone

VI. SPOUSAL CONSENT

Spousal consent should be considered if either the trust or the residence of the plan participant is located in a community or marital property state.

I am the spouse of the above-named plan participant. I acknowledge that I have received a fair and reasonable disclosure of my spouse's property and financial obligations. Because of the important tax consequences of giving up my interest in this 403(b)(9), I have been advised to see a tax professional. I hereby relinquish any interest that I may have in this 403(b)(9) and consent to the beneficiary designation indicated above. I assume full responsibility for any adverse consequences that may result.

- I am not married** – I understand that if I become married in the future, I should review the requirements for spousal consent.
- I am married** – I understand that if I choose to designate a primary beneficiary other than or in addition to my spouse, my spouse should sign below.

Signature of Certificate Owner's Spouse	Date (mm/dd/yyyy)	Spouse of
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VII. ACKNOWLEDGEMENT

I hereby establish a 403(b)(9) Retirement Plan account, and designate the individual(s) in the Beneficiary Designation section as my beneficiary(ies). I have received the Church Savings Plan from my employer and have read and agree to all its provisions. I recognize that fees may be imposed on my account, from time to time, based on my participation in the Plan, and that the Plan Administrator shall notify me as required by law to the extent that such fees shall be imposed on my account.

I hold harmless and indemnify CDF and each of its respective directors, trustees, officers, employees and agents from any losses, expenses, costs or liability (including attorney fees) which it may incur in connection with following the instructions contained on this form. In addition, I understand that CDF is not responsible to see that correct contributions are made, or otherwise determining the allocation of contributions to my account.

By signing below I declare under penalty of perjury that I: 1) meet the definition of "Limited Class of Investors" set forth in CDF's Offering Circular, 2) have reviewed the Offering Circular and the financial statements reproduced therein and 3) agree to the terms and conditions described in the Offering Circular. Furthermore, I acknowledge that my signature, as signed below, will be used for identity verification purposes when requesting investment activities.

This enrollment form serves as a Substitute W-9 Form. CDF is required to obtain your correct Social Security Number (SSN) in order to report to the Internal Revenue Service (IRS) interest paid to you. CDF, like any of other payer of interest or dividends, must withhold and pay to the IRS a percentage of the interest paid to you if you fail to furnish CDF with the correct SSN or if you fail to sign the acknowledgement at the bottom of this enrollment form. This is referred to as "backup withholding." For more information on backup withholding, visit www.IRS.gov.

Under penalties of perjury, I certify that: 1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and 2) I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and 3) I am a U.S. citizen or other U.S. person (defined below).

NOTE: You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

Signature	Date (mm/dd/yyyy)
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The purchase of Certificates is subject to risks which are described in the Offering Circular. Offers to sell and solicitation of offers to buy Certificates are made only pursuant to the Offering Circular and only in those states where the Certificates may lawfully be offered or sold. The Certificates are not FDIC or SIPC insured nor are they bank deposits.

Interest rates are established according to policies set forth in the Offering Circular and are subject to change. For a complete listing of current investment rates call (888) 540-7112 or visit www.CDFonline.org.

Pennsylvania Residents: You have the right to withdraw from this purchase agreement and receive a full refund of all monies paid by you. The right must be exercised within two business days. The procedure to be followed in exercising the right is explained in the Offering Circular.

The CHURCH DEVELOPMENT FUND, CDF CAPITAL, CDF CAPITAL and DESIGN and DESIGN ONLY trademarks and/or other identifiers referenced herein are trademarks of Church Development Fund, Inc., and may be registered in certain jurisdictions.

403(b)(9) SALARY DEFERRAL AGREEMENT



PO Box 19700, Irvine, CA 92623-9700
Fax: 866.303.9360

Submit this form to your employer

OWNER

(MY INFORMATION HAS CHANGED, PLEASE UPDATE)

_____ Name (First/Mi/Last)	_____ Address
_____ Social Security Number	_____ City State Zip
_____ Date of Birth	_____ Email Address
	_____ Phone

DEFERRAL INFORMATION

Original Agreement Amended Authorization

By this agreement made between

The "Employee" _____ and the "Employer" _____
(Please print your name) (Please print employer name)

the parties hereto agree as follows:

Effective with the paycheck dated _____ (which date is after the date of execution of this Agreement), the Employee's basic salary will be reduced by the amount indicated below, as designated by the Employee.

This agreement shall remain in force until it is revoked or modified by the employee. The Church will establish rules and procedures for the revocation or modification of elective salary deferrals by each Employee.

The amount of the Employee's salary deferral cannot exceed the limitations under Section 402(g) and 415 of the Internal Revenue Code.

The amount of the Employee's salary deferral will be: (select one)

- \$ _____ per pay period beginning _____.
- _____ % of basic salary beginning _____.

SIGNATURE

I authorize my employer to withhold the foregoing amounts from my pay on a pre-tax basis, and to send such elective salary deferrals directly to ChurchDevelopment Fund, P.O. Box 19700, Irvine, CA 92623-9700. Checks should be made payable to Church Development Fund, FBO Employee Name.

_____ Name of Employer	
_____ Employee Signature	_____ Date (mm/dd/yyyy)
_____ Employer Signature	_____ Date (mm/dd/yyyy)

REQUEST FOR DIRECT ROLLOVER



PO Box 19700, Irvine, CA 92623-9700
Fax: 866.303.9360

OWNER

CDF Investment Number

Name (First/Mi/Last)

Social Security Number

Address

City State ZIP

TRUSTEE OR CUSTODIAN

Prior Trustee/Custodian Account Number

Name of Prior Trustee/Custodian

Name of Retirement Plan/Employer

Address

City State ZIP

ROLLOVER OPTIONS

- Total Rollover Partial Rollover

All assets to be rolled over must be listed below. *Please attach copies of account statements showing assets to be rolled over.*

IMPORTANT: If this rollover involves the surrender of an annuity, please contact your insurance company for policy instruction

Option One Rollover from: Traditional IRA 401(k)/403(b) or Qualified Plan

Asset Description: _____ Liquidate Immediately

Quantity or Amount: \$ _____ %

Option Two Rollover from: Roth IRA Roth 401(k)/403(b) or Qualified Roth Plan

Asset Description: _____ Liquidate Immediately

Quantity or Amount: \$ _____ %

SIGNATURE

Please accept this as my instruction to rollover the assets listed below from my account into the 403(b) plan at Church Development Fund, Inc. All the assets to be rolled over are listed and I am aware of any penalties or losses I may incur as a result of this rollover request.

Signature of Owner

Date (mm/dd/yyyy)

NOTE: Please check with your prior Trustee/Custodian to see if a Signature Guarantee is required.

ACCEPTANCE OF DIRECT ROLLOVER AND INSTRUCTIONS TO FORMER TRUSTEE/CUSTODIAN

This is to advise you that Church Development Fund, Inc accepts the rollover of assets from Internal Revenue Code Section 403(b) Retirement Income Accounts. Please register Church Development Fund, FBO _____ Tax ID # _____ and send the assets of the Plan with a Final Statement and detail cost basis (or carry value) of the rollover assets. Church Development Fund, Inc. acceptance is predicated upon the customer's representation that all assets held in account are listed and that those assets are acceptable to Church Development Fund, Inc.

Church Development Fund, Inc. Authorized Signature

Date (mm/dd/yyyy)

The CHURCH DEVELOPMENT FUND, CDF CAPITAL, CDF CAPITAL and DESIGN and DESIGN ONLY trademarks and/or other identifiers referenced herein are trademarks of Church Development Fund, Inc., and may be registered in certain jurisdictions.

GLOSSARY

ANNUAL YIELD

The compounded rate of return paid to you when your funds remain in an investment for a full year. Annual percentage yield (APY) is the effective annual rate of return, taking into account the effect of compounding interest, whereby your original principal earns interest, then that combined amount earns interest. All CDF Capital™ investments are compounded quarterly on the basis of a 365-day year.

MAXIMUM CONTRIBUTION

The greatest amount of money that can legally be added to your 403(b) plan in a given year.

PENSION MAXIMIZER

The CDF Capital™ investment into which 403(b) funds are invested.

PRE-TAX CONTRIBUTION

A payment made to a retirement plan with dollars that have not yet been taxed.

SALARY DEFERRAL

An employer setting aside a certain portion of salary for future payment to the employee.

TAX-DEFERRED

Payment of income tax on interest earned at a later date, usually when funds are withdrawn.

TAX YEAR

The twelve-month period for which tax reporting is made to the Internal Revenue Service. This period runs from January 1 through December 31 for individuals. Corporations may choose a different twelve-month period.

This booklet, prepared by Church Development Fund, Inc. (CDF Capital™), must be preceded or accompanied by the current Offering Circular of Church Development Fund, Inc. At present the Internal Revenue Service has not announced a procedure for approval as to the form of a 403(b)(9) agreement. Therefore, while the agreement has been designed to qualify under section 403(b)(9) of the Internal Revenue Code, the sponsor is unable to make any representation as to its qualification.



CDF CAPITAL™

Helping Churches Grow

888.540.7112 • contact@CDFcapital.org • www.CDFcapital.org

P.O. Box 19700 Irvine, CA 92623-9700

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