



MISSIONARY RETIRAL SAVINGS ACCOUNT (MRA) REGULATIONS

The Alliance Development Fund, Inc. (ADF, Inc.) Board of Directors approved the establishment of Missionary Retiral Savings Accounts (MRA). These differ from tax deferred annuities in that **MRA accounts DO NOT provide income tax advantages** (principal contributions and interest are nondeductible and interest earnings must be reported to IRS annually). However, there is a great benefit to missionaries who are eligible to exclude from their income, for federal income tax purposes, certain foreign earned income. The maximum exclusion for foreign earned income under current law is \$80,000 per year in 2002 and beyond. This overseas income exclusion makes it possible for missionaries to maximize their investment income through this ADF, Inc. program.

1. Active missionaries under the age of 70 and on allowance with The Christian and Missionary Alliance (C&MA) are eligible to establish an MRA account.
2. Accounts may be opened with an initial investment of \$1. Although additional deposits may be made at any time, it is expected that regular monthly additions will be made by payroll deduction; there is no minimum monthly investment.
3. The interest rate earned on this retirement account is determined by ADF, Inc. administration. Interest is compounded and credited monthly and quarterly statements are sent to each investor.
4. Early withdrawals by active missionaries before the age of 59 1/2 will have a 10 percent penalty on the amount withdrawn. Such withdrawals will require 30 days advance written notice, although all or part of the 30 days notice requirement may be waived by ADF, Inc. Withdrawals may be made without penalty after age 59 1/2. Also, no withdrawal penalty is assessed if the withdrawal is made because of conclusion of service, or the death or disability of the investor.
5. After the age of 59 1/2 or upon retirement, the investor may elect to have the balance in his account distributed in:
 - a) A single sum payment.
 - b) Monthly, quarterly, semi-annual or annual payments.
6. To open an account, complete the application form on the reverse indicating whether it is an individual or joint account. If you wish us to transfer your balance from a bank or savings account (or ADF, Inc. savings or maturing certificates) complete the enclosed ACH form. The ACH authorization form is optional and should only be completed if you wish to have an amount deducted from future monthly allowances. Mail the forms to ADF, Inc. and your account will be opened as soon as possible. Deductions will begin the month in which your instructions reach us. However, we will not transfer the balance from another account until the end of a regular interest period so that you will earn the maximum interest possible.
7. Please list in the "Mailing Address" section where you wish to have your statements sent.

If you presently have a certificate in The ADF, Inc., that interest may be deposited in your retiral savings account. **Remember, ADF, Inc. accounts are not Federally Insured (FDIC) and interest income is not tax exempt.**