

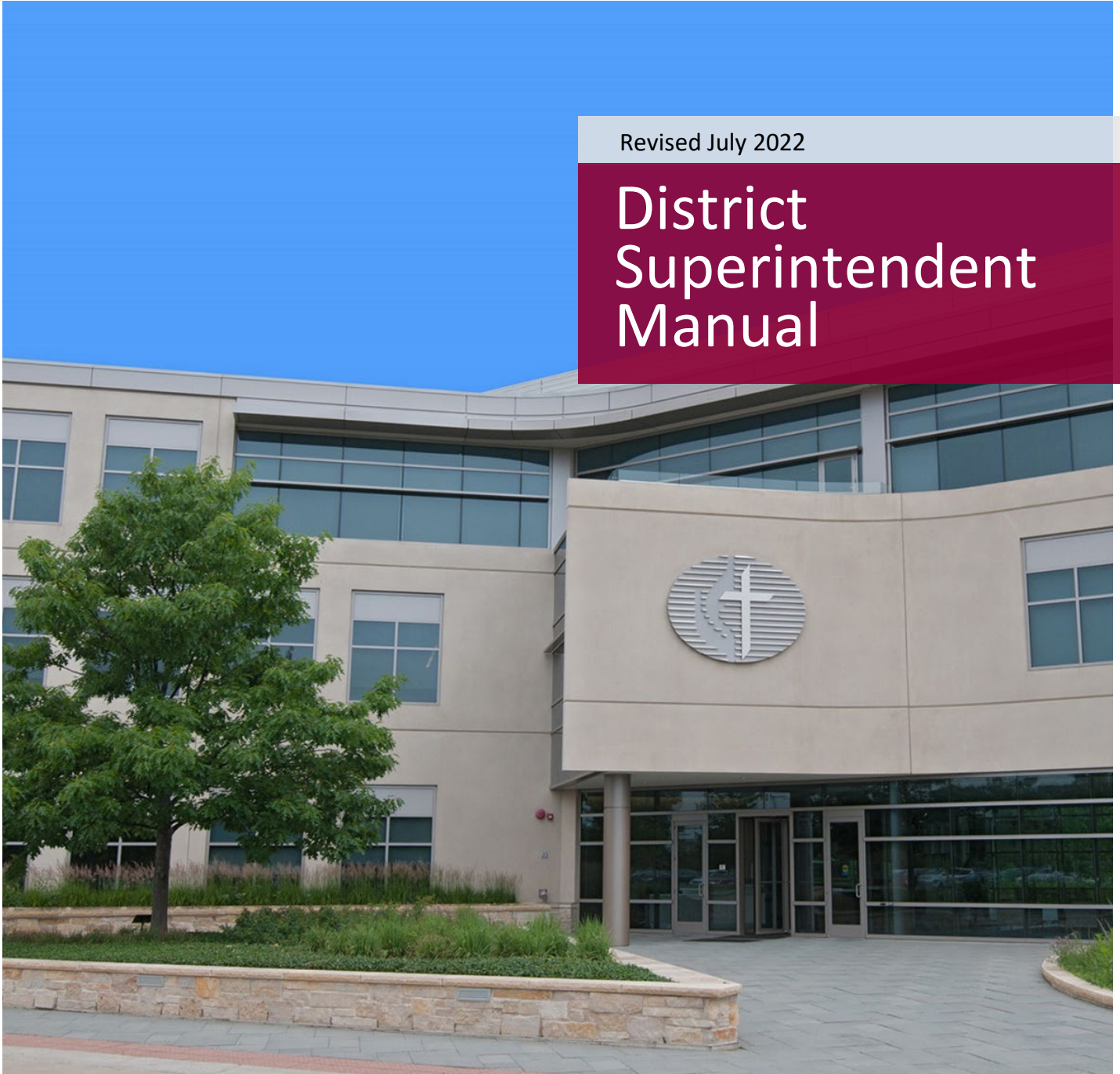


Wespath

BENEFITS | INVESTMENTS

Revised July 2022

District Superintendent Manual



a general agency of The United Methodist Church

District Superintendent Manual

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Introduction

As the district superintendent and an administrator and advisor to constituents in your district, you provide information pertaining to retirement, health and welfare plans and benefits. You also play an important role in the flow of information between your district, the conference board of pensions and its benefits officer, and Wespath Benefits and Investments (Wespath).

In this document, you will find answers to questions you may be asked about the retirement, disability, death and health benefit programs administered by Wespath, as well as information on some of the administrative functions the conference performs in order to administer the benefit programs accurately and efficiently.

We hope you will find this document to be a helpful reference resource as you consider the implications of placement of clergy in certain appointments or leaves.

This manual is divided into four sections to make it easy to use:

- **Section 1**—“Overview of Benefit Programs and Enrollment” provides general information on the various benefit programs available to clergy serving The United Methodist Church, as well as the processes for enrolling clergypersons in these programs.
- **Section 2**—“Appointments, Compensation and Leaves” provides a basic outline for dealing with appointment and compensation changes, certain leaves and the benefit consequences of each change.
- **Section 3**—“Transitions/Life Events” deals with retirement, termination of conference relationship, disability and death.
- **Section 4**—“Benefit Programs Details and Miscellaneous Wespath Programs and Services” provides in-depth information on the benefit programs covered in Section 1, as well as information on other programs and services offered by Wespath.

This manual is intended to provide general process information, not to supersede the retirement, health and welfare plan documents or *The Book of Discipline*. In the event of any discrepancy between this manual and the plan documents, which are amended from time to time, the provisions of the plan documents will govern. Contact your conference benefits officer or Wespath staff person who serves your annual conference for further clarification.

Please understand that Wespath is not engaged in rendering legal, accounting, financial or other professional services. If you or a participant needs legal advice or other expert assistance, you or the participant should seek the services of a professional advisor.

Questions

If you have any questions, contact your Conference Benefits Officer (CBO) or Wespath at **1-800-851-2201**. Representatives are available Monday through Friday, from 8:00 a.m. to 6:00 p.m., Central time. Wespath website (www.wespath.org) also is available 24 hours a day, seven days a week.

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Section 1—Overview of Benefit Programs and Enrollment

In general, the following three benefit programs are available to eligible clergypersons (elders, deacons, associate members and local pastors) serving The United Methodist Church in an appointment to a conference-responsible entity, such as a local church or an extension ministry appointment for which the conference is the plan sponsor.*

- The **Clergy Retirement Security Program (CRSP)** is a Church-provided and -funded retirement benefit program.
- The **Comprehensive Protection Plan (CPP)** provides death, long-term disability and other welfare benefits.
- The **United Methodist Personal Investment Plan (UMPIP)** is designed to accept both employer (plan sponsor) and employee (participant) contributions. For most clergypersons, UMPIP serves as the primary program to which voluntary employee contributions made through payroll deductions are contributed.

The following is a brief overview of CRSP, CPP, UMPIP, *UMLifeOptions* and other benefit programs. Please see Section 4 for more information.

CLERGY RETIREMENT SECURITY PROGRAM (CRSP)

CRSP is a retirement program providing lifetime income and account flexibility designed for those who serve God as clergy of The United Methodist Church. The plan is designed to provide participants with one piece of their overall retirement portfolio. CRSP is the amendment and restatement of the Ministerial Pension Plan (MPP),** effective January 1, 2007.

CRSP consists of both a defined benefit (DB) plan, which provides a monthly benefit at retirement based upon years of credited service to the Church on or after January 1, 2007 (September 1, 2008 for bishops), and a defined contribution (DC) plan, which provides a retirement account balance established and funded by annual conferences. Please see Section 4 for more in-depth information about CRSP.

Who Is Eligible?

Full-time clergy under episcopal appointment who are serving a conference-responsible entity are eligible. In addition, each annual conference may elect to make clergy appointed $\frac{3}{4}$ or $\frac{1}{2}$ time eligible to participate in CRSP. Clergy appointed less than $\frac{1}{2}$ time are not eligible to participate in CRSP, but conferences may provide retirement benefits through another plan (e.g., UMPIP).

COMPREHENSIVE PROTECTION PLAN (CPP)

CPP provides death benefits, long-term disability income replacement and certain other survivor benefits for eligible clergy of The United Methodist Church and their families. CPP is funded by plan sponsor contributions.

Who Is Eligible?

Full-time clergy under episcopal appointment who are serving a conference or conference-responsible entity earning at least 25% of the Denominational Average Compensation (DAC) are eligible. In addition, each annual conference can elect to make clergy appointed $\frac{3}{4}$ time and earning at least 25% of the DAC eligible to participate. Each annual conference may also elect a 12-month continuation of coverage for clergy who, due to a leave of absence, sabbatical leave or appointment to attend school are not eligible to continue coverage.

* A plan sponsor is the entity with various responsibilities, including but not limited to enrollment of eligible clergyperson and collection and remittance of contributions.

** MPP was the denominational retirement program in effect from January 1, 1982 through December 31, 2006. Clergypersons with an MPP account balance will continue to have a separate (from CRSP) MPP account that will continue to be invested until distributed (generally, at retirement). Benefits from MPP are based on the clergyperson's MPP account balance at the time the clergyperson begins receiving benefits.

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UNITED METHODIST PERSONAL INVESTMENT PLAN (UMPIP)

UMPIP provides a retirement savings plan for eligible clergy and employees of The United Methodist Church and affiliated organizations. UMPIP is a defined contribution retirement plan.

Although UMPIP is designed to accept both employer (plan sponsor) and employee (participant) contributions, many clergy participate in UMPIP for voluntary participant contributions on a before-tax, Roth or after-tax basis through payroll deductions. These contributions (along with any rollovers or transfers brought in from another financial institution) comprise the clergyperson's retirement account balance. The account is invested in Wespath investment funds. Your annual conference may have elected to sponsor UMPIP for plan sponsor contributions; please check with your conference benefits officer.

For many lay employees and clergypersons in an extension ministry appointment in which the employer and not the conference is the plan sponsor, UMPIP also serves as the program to which the employer can make plan sponsor (employer-funded) contributions. UMPIP can also be sponsored by the annual conference and by the local church for plan sponsor contributions.

Employers wishing to sponsor a retirement benefit program can sponsor UMPIP to provide retirement benefits for their clergypersons and/or lay employees.

Who Is Eligible?

A clergyperson or employee of a UMPIP plan sponsor who meets certain eligibility requirements noted on the plan sponsor's UMPIP adoption agreement is eligible for UMPIP and may enroll in this plan.

In addition, Wespath offers the following benefit programs to conferences and other eligible organizations:

UMLIFEOPTIONS

UMLifeOptions is a successor plan to the Basic Protection Plan (BPP). *UMLifeOptions* provides life and long-term disability coverage for lay employees and clergy not eligible for CPP. In addition, *UMLifeOptions* provides additional life coverage for clergy participating in CPP. *UMLifeOptions* also includes an optional life insurance plan through which participants can purchase additional coverage directly with Unum, the insurer of the plan.

Who Is Eligible?

Employees of a *UMLifeOptions* plan sponsor who meet the age and service requirements outlined in the plan sponsor's adoption agreement are eligible.

HEALTHFLEX

The General Conference of The United Methodist Church established a health benefit program for clergy and lay employees effective January 1, 1961. The Hospitalization and Medical Expense Program, also known as HealthFlex, is maintained for the benefit of clergy and lay employees (and their dependents) of The United Methodist Church. HealthFlex is a managed care health program that offers a number of benefit choices to nearly 20,000 participants and family members. As of January 2021, 37 United Methodist plan sponsors (primarily conferences) participate in HealthFlex. The benefits available depend upon the plans the plan sponsor has elected to offer.

Who Is Eligible?

Clergy and/or lay employees of a HealthFlex plan sponsor who meet certain eligibility requirements outlined in the plan sponsor's HealthFlex adoption agreement are eligible.

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ENROLLMENT

The conference board of pensions and its benefits officer enroll eligible clergypersons in accordance with the provisions of the applicable retirement, health and welfare plans. Conferences generally process enrollments and report changes in appointments or compensation online through Wespath’s participant record-keeping system: Benefits Access for plan sponsors. If preferred, the conference also can use paper forms to perform some of these administrative functions.

General Eligibility Rules for CRSP, CPP and UMPIP

CRSP	CPP	UMPIP (For Clergy Voluntary Payroll-Deduction Contributions)
<p>Eligible persons may include:</p> <ul style="list-style-type: none"> • Full-time clergy members under episcopal appointment to a local church or pastoral charge (and certain conference-responsible extension ministry appointments) • By annual conference election: Clergy members serving $\frac{3}{4}$ or $\frac{1}{2}$ time appointments • Conference members who are receiving CPP disability benefits* • By conference election: Conference members who are on medical leave* • Clergypersons who are entitled to credited service under USERRA • Clergypersons of another denomination who are under episcopal appointment and not in a similar program provided by the other denomination • Jurisdictional Bishops <p>* If highest appointment percentage in the 24 months preceding medical leave/ CPP disability is elected as covered on the adoption agreement</p>	<p>Eligible persons may include:</p> <ul style="list-style-type: none"> • Full time clergy members (elders, deacons and associate members) under episcopal appointment • Full time clergy or provisional members of an Other Methodist Denomination under episcopal appointment • Full-time local pastors under episcopal appointment • Clergypersons of another denomination who are under episcopal appointment, serving full-time and not in a similar program provided by the other denomination • Jurisdictional Bishops <p>Eligible persons must receive plan compensation of at least 25% of the Denominational Average Compensation (DAC).</p> <p>By annual conference election: Certain categories of clergypersons who do not meet the above eligibility requirements.</p>	<p>Eligible persons may include:</p> <ul style="list-style-type: none"> • Clergypersons who are under episcopal appointment, receiving compensation and have a UMPIP plan sponsor (if the conference has elected not to be the UMPIP plan sponsor for its clergy, the church or salary-paying unit may be the plan sponsor). <p>These persons must complete and sign a UMPIP <i>Contribution Election</i> form to have contributions withheld from their compensation.</p> <p>The conference and/or local church can also sponsor UMPIP for its clergy to make employer (plan sponsor) contributions.</p>

In general, CRSP and CPP are mandatory plans, and eligible clergypersons must be enrolled. Student local pastors, part-time local pastors and clergy serving less than full-time may voluntarily waive participation in CRSP (waivers may be executed and submitted up to 60 days after the waiver effective date). CPP does not allow waivers.

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Section 2—Appointment and Compensation Changes and Leaves

APPOINTMENT CHANGES

Notification of an appointment change must be reported by the conference, as follows:

- An appointment change is made by the bishop.
- You report appointment changes to the conference benefits officer.
- The conference benefits officer notifies Wespath of appointment changes.

It is very important that appointment changes be reported to the conference benefits officer (who will then notify Wespath) as soon as possible to ensure the affected clergyperson is enrolled in the appropriate benefit programs for that appointment and that he or she receives contributions or service credit in a timely manner.

COMPENSATION

Each benefit program defines compensation and the elements that are includable and considered part of plan compensation.

COMPENSATION CHANGES

Notification of compensation changes must be reported by the conference, as follows:

- The charge conference approves a compensation change for a clergyperson.
- The local church reports new compensation to you.
- You report the change to the conference benefits officer.
- The conference benefits officer reports compensation changes to Wespath.

Changes in compensation should be reported as soon as possible. When Wespath receives plan compensation changes retroactively, adjustments to contributions due for CRSP and/or CPP may be necessary. In cases where compensation decreases, Wespath will issue a refund to the entity that made the contribution if the refund exceeds the minimum threshold defined in the Contribution Refund Policy. Changes that result in compensation below 25% of the DAC may affect CPP eligibility.

APPOINTMENTS EXTENDING THE MINISTRY OF THE LOCAL CHURCH

Elders, deacons and local pastors can be appointed to serve in appointments extending the ministry of The United Methodist Church. Because extension ministry appointments involve many unique settings and circumstances, retirement and other benefit programs for these appointments can vary depending on the setting. For many extension ministry appointments, the employer or organization the clergyperson is serving (not the conference) is the entity that determines what retirement or other benefit programs, if any, the clergyperson will receive for that service. Wespath refers to this type of appointment as a **non-conference-responsible appointment**.

In certain cases, the annual conference is the plan sponsor for a clergyperson appointed to an extension ministry. Wespath refers to this type of appointment as a **conference-responsible appointment**.

Each type of appointment and related benefit consequences are explained below in more detail.

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NON-CONFERENCE-RESPONSIBLE EXTENSION MINISTRY APPOINTMENTS

Many organizations being served by a United Methodist clergyperson provide retirement and/or other benefit programs to their clergyperson(s). Some of these organizations sponsor one or more benefit programs offered by Wespath. In some cases, the organization may offer the clergyperson a non-Wespath-administered benefit program.

In most cases, there is a high interest or desire on the part of the clergyperson and/or organization for continued participation in the clergyperson's "denominational" benefit programs.

Below are some of the most common reasons given for the high interest in Wespath -administered benefit plans:

- The clergyperson's familiarity with benefit programs, investment funds and services administered and managed by Wespath;
- Wespath's reputation for professional administration and management of pension and benefit programs for more than 100 years;
- The clergyperson's preference to receive his or her retirement benefits from one place (or maintain accounts in one place);
- The opportunity for uninterrupted participation in CPP (this may be critical in order to retire with certain CPP benefits payable in retirement);
- Wespath's fund expense ratios, which are below the median when compared to actively managed mutual funds with similar investments; and
- Wespath's commitment to sustainable investing.

An Organization Wishing to Become a Plan Sponsor

In general, an organization wishing to sponsor a Wespath-administered benefit program must be an organization described in Internal Revenue Code (Code) section 501(c)(3) (sometimes referred to as a not-for-profit or tax-exempt organization) and be associated with The United Methodist Church. However, other organizations may be eligible to sponsor Wespath-administered benefit plans if they are being served by a United Methodist clergyperson under episcopal appointment.

If eligible, the organization must complete an adoption agreement for each of the plans it chooses to sponsor. The adoption agreement is the legal document specifying the conditions of sponsorship under the plan(s) and allows the plan sponsor to select certain optional provisions of the plan(s).

The following retirement and welfare plans may be available for plan sponsorship by certain organizations:

- UMPIP
- CPP
- *UMLifeOptions*
- Horizon 401(k)

If a clergyperson or another representative from an organization needs assistance in determining whether or not the organization is eligible to sponsor a Wespath-administered benefit program, please refer him or her to Wespath. The following materials also can be requested through Wespath:

- The [*Benefits Plans for United Methodist Clergy Appointed to Extension Ministries*](#) brochure provides general information on the various benefits programs available to clergy appointed to an extension ministry.
- The *Extension Ministries Packet* contains the documents required for an organization to become a plan sponsor.

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The Role of the Conference for Non-Conference-Responsible Appointments

For non-conference-responsible appointments, the conference simply reports the appointment to Wespath using an *Extension Ministries Change of Appointment Form*. If the extension ministry sponsors a benefit program administered by Wespath, the organization, as the plan sponsor, is responsible for enrolling and remitting contributions on behalf of the clergy person and works directly with Wespath.

Conference-Responsible Extension Ministry Appointments

As mentioned earlier, in certain cases, the conference is the plan sponsor for a clergy person appointed to an extension ministry. Conference-responsible appointments can best be explained by describing these appointments in the following two categories:

- **Mandatory:** The conference is automatically the CRSP and CPP plan sponsor if the eligible extension ministry appointment has been made under ¶1344.1a(1) of *The Book of Discipline*, which includes, but is not limited to, district superintendents and treasurers. The conference is also the plan sponsor when the eligible clergy person is under episcopal appointment to that conference.
- **Conference Elected:** The conference has determined that a particular extension ministry appointment warrants plan sponsorship by the conference. Once the conference has made this determination, the conference simply adds that extension ministry to its Conference-Elective Entity List. By reporting any such extension ministry on this list, a conference agrees to be the plan sponsor responsible for collecting and remitting contributions for benefits under CRSP and CPP on behalf of clergy persons under episcopal appointment to that extension ministry.

The conference, as the plan sponsor, enrolls, collects and remits contributions for the clergy person.

To assist clergy persons who are contemplating an appointment extending the ministry of the local church in determining the benefit consequences of the appointment, you should ask the conference benefits officer if the extension **ministry appointment is a conference-responsible appointment**. Then, act as follows:

Yes	No
<p>CRSP and CPP eligibility and contributions are determined by the plan documents and the conference adoption agreements.</p> <p>The conference may sponsor other benefits for eligible clergy.</p>	<p>Ask the clergy person:</p> <ul style="list-style-type: none">• Is the future employer (salary-paying unit) currently sponsoring plans administered by Wespath?• Is the future employer (salary-paying unit) eligible and willing to sponsor the plans administered by Wespath?• If benefit coverage is unavailable through Wespath, does the future employer offer any benefit coverage?• If the future employer does not/will not offer CPP, advise the clergy person of the possible consequences.

Call Wespath at **1-800-851-2201** to find out if the future employer is sponsoring any of the benefit plans administered by Wespath or to request an *Extension Ministries Packet*. This packet contains documents necessary for an organization to become a new plan sponsor.

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Sections in *The Book of Discipline* on Plan Sponsorship

- ¶344.1a—appointments within the connectional structure of United Methodism. The plan sponsor may be an annual conference or the salary-paying unit. The conference is the plan sponsor if the appointment is under ¶344.1a (1).
- ¶344.1b—appointments under endorsement by the United Methodist Endorsing Agency of the General Board of Higher Education and Ministry. The plan sponsor may be an annual conference or salary-paying unit.
Note: A pension grant program, the Chaplains Supplemental Pension Grant Fund, provides retirement benefits for endorsed clergypersons who serve as chaplains or pastoral counselors and who do not qualify for retirement or other denominational benefits for that service. Interested clergypersons may contact Wespath for additional program information.
- ¶344.1c—appointments as missionaries under the General Board of Global Ministries.
- ¶344.1d—appointments under special circumstances and unique situations. The plan sponsor may be an annual conference or the salary-paying unit.

Effect on Years of Service for Retirement Purposes

If the clergyperson continues to hold an episcopal appointment, the period of time served in extension ministries will count toward the total years of service used to determine retirement eligibility.

Commonly Asked Questions

- Q: If neither the salary-paying unit nor the conference will sponsor a benefit plan administered by Wespath for a clergy member serving an extension ministry, will any retirement or other benefits be payable from Wespath upon retirement for these years of service?**
- A:** No. Clergy will not have retirement or other benefits from Wespath for years of service they did not participate in plans administered by Wespath. However, the clergyperson may have participated in other plans not administered by Wespath and may receive benefits from those sources.
- Q: Can a clergyperson appointed outside the United States participate in the plans administered by Wespath?**
- A:** In general, a clergyperson must have a U.S.-based plan sponsor to participate in the plans administered by Wespath.

APPOINTMENT TO ATTEND SCHOOL

How Being Appointed to Attend School Affects the Record of Service

The service record will indicate the clergyperson is attending school. The record will not indicate the specific school the clergyperson is attending.

Current Participation in the Benefit Plans While Appointed to Attend School

CPP coverage for those appointed to attend school depends on whether the conference has elected on its adoption agreement, continuation coverage for clergy appointed to attend school (coverage can be continued for 12 months).

Clergy appointed to attend school are not permitted to make contributions to UMPIP, since they are not receiving compensation while attending school.

Clergy appointed to attend school are not eligible for participation in CRSP.

Participation in the conference-sponsored health insurance program is based on plan eligibility rules.

District Superintendent Manual

Commonly Asked Questions

Q: How do I report a clergy person's appointment if the person is attending school while serving a church on a part-time basis?

A: Both appointments (including the service percentage associated with the appointment) should be reported.

Consult Wespath in cases where clergy persons are serving churches that are not their episcopal appointment.

LEAVES

The following section provides some general information on the various types of leaves provided under *The Book of Discipline* and how the leave may affect the clergy person's service record and/or participation in Wespath-administered benefit programs.

MEDICAL LEAVE

Defined

Clergy members of an annual conference who are unable to perform their ministerial work because of incapacity due to health matters and/or disabling conditions may be granted annual medical leave, upon recommendation of the conference board of ordained ministry and conference board of pensions and by a majority vote of the executive session of clergy members in full connection with the annual conference who are present and voting. Eligibility for conference medical leave is different from CPP disability benefits eligibility; medical leave does not determine CPP disability benefits.

CPP-Approved Disability Benefits vs. Conference Disability Grant

If a disabled clergy person is not eligible for disability benefits from CPP or has not yet been approved for benefits, the conference has the option to provide a grant from conference funds. The conference determines the amount of the grant. Often, the conference approves a grant equal to the amount that would be provided under CPP. In the event a participant is subsequently approved for CPP disability benefits, CPP may reimburse the annual conference from CPP for the grant already paid, but not to exceed the amount otherwise payable from CPP.

How This Leave Affects Current Participation in CRSP, UMPIP and CPP

- **CPP-Approved Disability**—CPP will contribute to the disabled clergy person's CRSP DC account throughout the period during which the eligible clergy person receives CPP disability benefits if he or she continues to be eligible for CRSP. The annual contribution will be equal to 2% of CRSP plan compensation in effect on the date disability payments become effective. This contribution amount will increase each year by 3% on the anniversary of the date payments became effective (provided the benefit was in effect on December 31 of the previous year). If the UMPIP participant makes participant contributions, CPP will match the contributions up to 1% of compensation. Contributions to CPP will not be required by the church/employer; however, all CPP benefits may remain in force. In addition, CPP-disabled clergy may continue to accrue credited service under CRSP DB if they continue to meet eligibility rules while receiving CPP disability benefits.
- **Non-CPP-Approved Disability**—Continued participation in either CRSP or CPP will depend on whether the conference has elected on its CRSP and/or CPP adoption agreement to cover clergy on medical leave (not CPP disabled).

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UMLifeOptions

Check with the conference benefits officer regarding participation and benefits, if any.

Health Insurance

Participation in a conference-sponsored health insurance program (other than HealthFlex) will depend on the plan eligibility rules.

Check with the conference benefits officer regarding continuation of benefits.

Participation in HealthFlex will continue, for a period determined by HealthFlex and the conference's adoption agreement, while on a medical leave if the clergyperson appointed to medical leave was a participant in HealthFlex prior to the effective date of such appointment.

Retirement Plans

Participants receiving CPP or Social Security disability benefits are eligible for a distribution from their MPP account equal to 35% of the total account balance and may receive some or all of their CRSP DC account balance.

In addition, participants receiving CPP or Social Security disability benefits may be eligible to receive distributions from their UMPIP account, subject to certain restrictions.

VOLUNTARY LEAVE OF ABSENCE

This relationship is granted to clergy who are provisional, associate and full members and who, because of sufficient reason, choose to temporarily take leave from their ministerial duties.

A voluntary leave of absence may be taken for a variety of reasons and includes:

- Personal leaves
- Family leaves
- Transitional leaves

PERSONAL LEAVE

This relationship is granted to clergy who decide, for personal reasons, that they are temporarily unable or unwilling to continue in a ministry appointment.

How Personal Leave Under ¶353.2a of *The Book of Discipline* Affects the Record of Service

Personal leave will appear on the service record because it represents a change in the clergyperson's relationship with the annual conference.

How Personal Leave Affects Current Participation in the Benefit Plans

Clergy on personal leave are not permitted to participate in CRSP.

Clergy on personal leave can continue making contributions to UMPIP only if they are receiving compensation while on leave.

Continued participation in CPP during personal leave depends on whether the conference has elected on its adoption agreement, continuation coverage for clergy on a personal leave of absence (coverage can be continued for 12 months).

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For clergy whose conference sponsors *UMLifeOptions*, eligibility for continued participation in this program is limited to the following circumstance: Clergy granted personal leave may continue in *UMLifeOptions* for 60 days if the conference has elected to cover such leaves and continues to pay the required premium.

Participation in the conference-sponsored health insurance program during personal leave will be based on plan eligibility rules.

How Personal Leave Affects Years of Service for Retirement Purposes

Personal leave is not included in the total years of service toward retirement eligibility.¹

FAMILY LEAVE

This relationship is granted to clergy who, because of an immediate family member's need for full-time care, are temporarily unable to continue in a ministry appointment.

How Family Leave Under ¶1353.2b of *The Book of Discipline* Affects the Record of Service

Family leave will appear on the service record because it represents a change in the clergy person's relationship with the annual conference.

How Family Leave Affects Current Participation in the Benefit Plans

Clergy on family leave are not permitted to participate in CRSP unless they are receiving compensation while on leave.

Clergy on family leave can continue making contributions to UMPIP only if they are receiving compensation while on leave.

Continued participation in CPP during family leave depends on whether the conference has elected on its adoption agreement, continuation coverage for clergy on a family leave of absence (coverage can be continued for 12 months).

For clergy whose conference sponsors *UMLifeOptions*, eligibility for continued participation in this program is limited to the following circumstance: Clergy granted family leave may continue in *UMLifeOptions* for 12 weeks, provided the conference continues to pay the required premium.

Participation in the conference-sponsored health insurance program during family leave will be based on plan eligibility rules.

How Family Leave Affects Years of Service for Retirement Purposes

Family leave is not included in the total years of service toward retirement eligibility.¹

¹ When generating eligible-to-retain lists, benefit projections and other reports, Wespath includes certain types of appointments (service) or leaves as part of the calculation of total years of service toward retirement eligibility. However, the annual conference and *The Book of Discipline* ultimately determine who is eligible to retire and Wespath proceeds accordingly.

District Superintendent Manual

Commonly Asked Questions

Q: Do I need to notify Wespath if the clergy person is granted a family leave?

A: No. You should notify your conference benefits officer, who will contact Wespath.

Q: How do I find out what my conference has elected?

A: Contact your conference benefits officer.

TRANSITIONAL LEAVE

Transitional leave is a leave granted for up to 12 months to provisional and associate members and full clergy members in good standing who are temporarily between appointments.

A transitional leave of absence may be granted for the following reasons:

- A provisional or full member deacon needs to seek and secure an appointable primary position—compensated or nonsalaried.
- A provisional member, associate member or full member elder needs to transition from an extension ministry to another appointment.

How Transitional Leave Under ¶353.2c of *The Book of Discipline* Affects the Record of Service

A transitional leave will appear on the service record because it represents a change in the clergy person's relationship with the annual conference.

How This Leave Affects Current Participation in the Benefit Plans

Clergy on transitional leave are not permitted to participate in CRSP.

Clergy on transitional leave can continue making contributions to UMPIP only if they are receiving compensation while on leave.

Continued participation in CPP during transitional leave depends on whether the conference has elected on its adoption agreement, continuation coverage for clergy on transitional leave of absence (coverage can be continued for 12 months).

For clergy whose conference sponsors *UMLifeOptions*, eligibility for continued participation in this program is limited to the following circumstance: Clergy granted transitional leave may continue in *UMLifeOptions* for 60 days if the conference has elected to cover such leaves and continues to pay the required premium.

Participation in a conference-sponsored health insurance program will be based on plan eligibility rules.

How This Leave Affects Years of Service for Retirement Purposes

Transitional leave is not included in the total years of service toward retirement eligibility.²

² When generating eligible-to-retain lists, pension projections and other reports, Wespath includes certain types of appointments (service) or leaves as part of the calculation of total years of service toward retirement eligibility. However, the annual conference and *The Book of Discipline* ultimately determine who is eligible to retire, and Wespath proceeds accordingly.

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INVOLUNTARY LEAVE OF ABSENCE

Bishops and district superintendents may place a provisional, associate, or full member on an involuntary leave of absence without their consent.

How Involuntary Leave of Absence Under ¶1354 of *The Book of Discipline* Affects the Record of Service

An involuntary leave of absence will appear on the service record because it represents a change in the clergyperson's relationship with the annual conference.

How This Leave Affects Current Participation in the Benefit Plans

Clergy on an involuntary leave of absence are not permitted to participate in CRSP.

Clergy on involuntary leave of absence can continue making contributions to UMPIP only if they are receiving compensation while on leave.

Continued participation in CPP is not permitted during an involuntary leave of absence.

For clergy whose conference sponsors *UMLifeOptions*, eligibility for continued participation in this program is limited to the following circumstance: Clergy placed on involuntary leave of absence may continue in *UMLifeOptions* for 60 days if the conference has elected to cover such leaves and continues to pay the required premium.

Participation in a conference-sponsored health insurance program will be based on plan eligibility rules.

How This Leave Affects Years of Service for Retirement Purposes

Involuntary leave of absence is not included in the total years of service toward retirement eligibility.

Commonly Asked Questions

Q: Do I need to notify Wespath if the clergyperson is granted a leave of absence?

A: No. You should notify your conference benefits officer, who will contact Wespath.

Q: How do I find out what my conference has elected for clergy on leave of absence?

A: Contact your conference benefits officer.

CONTINUING EDUCATION AND SPIRITUAL GROWTH LEAVE

How This Leave Affects the Record of Service

This type of leave will not appear on the service record.

How This Leave Affects Current Participation in the Benefit Plans

Benefit arrangements for a clergyperson granted this type of leave would continue as they were prior to the leave, provided the clergyperson continues to receive plan compensation. Changes in plan compensation and/or plan eligibility must be reported to Wespath by the conference benefits officer.

How This Leave Affects Years of Service for Retirement Purposes

If the clergyperson continues to hold an appointment, this period of time would be included in the total years of service toward retirement eligibility.

District Superintendent Manual

Commonly Asked Questions

Q: Do I need to notify Wespath if the clergy person is granted an educational and spiritual growth leave?

A: No. The records will continue to indicate a pastoral appointment.

MATERNITY OR PATERNITY LEAVE

A maternity or paternity leave not to exceed one fourth of a year is available and is granted by the bishop, the cabinet and the executive committee of the board of ordained ministry to any local pastor, provisional member, associate member or clergy member in full connection who so requests it at the birth or arrival of child into the home for the purposes of adoption.

How This Leave Affects the Record of Service

If the clergy person continues to hold a pastoral appointment, the leave will not appear on the service record.

How This Leave Affects Current Participation in the Benefit Plans

Maternity or paternity leave is not granted for more than one-quarter of a year, and it is considered an uninterrupted appointment for benefit purposes. Benefit arrangements for this leave will continue as they were prior to the leave. If the participant's compensation is changed during the leave, please notify your conference benefits officer.

How This Leave Affects Years of Service for Retirement Purposes

This period of time will be included in the total years of service toward retirement eligibility.³

Commonly Asked Questions

Q: Do I need to notify Wespath if the clergy person is granted a maternity/paternity leave?

A: No. You should notify your conference benefits officer, who will determine whether this leave is a change to the clergy person's appointment that requires contacting Wespath.

SABBATICAL LEAVE

A sabbatical leave is granted to associate members or clergy members in full connection meeting certain requirements for a program of study or travel approved by the conference board of ordained ministry.

How This Leave Affects the Record of Service

The service record will reflect the sabbatical leave.

How This Leave Affects Current Participation in the Benefit Plans

No CRSP contributions will be made and no credited service will accrue during a sabbatical leave. If a CRSP participant returns from the leave on a timely basis, there will be no break in service and the defined benefit for the period prior to the break will be calculated using the DAC in effect upon retirement.

Clergy on a sabbatical leave can continue making contributions to UMPIP only if they are receiving compensation while on the leave.

³ When generating eligible-to- retire lists, pension projections and other reports, Wespath includes certain types of appointments (service) or leaves as part of the calculation of total years of service toward retirement eligibility. However, the annual conference and *The Book of Discipline* ultimately determine who is eligible to retire and Wespath proceeds accordingly.

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Continued participation in CPP will depend on whether the conference has elected on its adoption agreement, continuation coverage for clergy on sabbatical leave (coverage can be continued for 12 months).

For clergy whose conference sponsors *UMLifeOptions*, eligibility for continued participation in this program is limited to the following circumstance: Clergy granted sabbatical leave may continue in *UMLifeOptions* for 60 days if the conference has elected to cover such leaves and continues to pay the required premium.

Participation in the conference-sponsored health insurance program is based on program eligibility rules.

How This Leave Affects Years of Service for Retirement Purposes

If the sabbatical leave is considered an appointment, this period of time is included in the total years of service.

Commonly Asked Questions

Q: Do I need to notify Wespath if the clergyperson is granted a sabbatical leave?

A: No. You should notify your conference benefits officer, who will contact Wespath.

Q: How do I find out what eligibility categories my conference has elected?

A: Contact your conference benefits officer.

LESS-THAN-FULL-TIME SERVICE

Less-than-full-time service may be rendered by a clergy member under the conditions stipulated in ¶338.2 of *The Book of Discipline*.

How Less-Than-Full-Time Service Affects the Participant's Service Record

Because less-than-full-time service affects benefit eligibility, appointment percentages are reported by the conference to Wespath. Wespath maintains this information on the clergyperson's records.

Participation in the Benefit Plans If Serving Less-Than-Full-Time

Less-than-full-time appointments ($\frac{3}{4}$ or $\frac{1}{2}$) are eligible to participate in CRSP only if the conference has elected on its adoption agreement to make clergy appointed $\frac{3}{4}$ or $\frac{1}{2}$ time eligible to participate in CRSP. The conference can elect to make certain clergy serving $\frac{3}{4}$ eligible to participate in CPP.

Clergy that are not eligible to participate in CPP may be eligible for death benefits and/or long-term disability replacement income benefits through *UMLifeOptions* if the program is adopted by the conference or local church.

Participation in *UMLifeOptions* will be based on the eligibility rules elected by the plan sponsor.

Participation in the conference-sponsored health insurance program will be based on program eligibility rules.

Effect on Years of Service for Retirement Purposes

For ordained clergypersons, this period of time will be included in his or her total years of service.

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MEMBERS FROM OTHER DENOMINATIONS

How This Status Affects the Service Record

Wespath creates and maintains a service record for clergypersons from other denominations who are serving under appointment within an annual conference of The United Methodist Church.

Participation in the Benefit Plans

Benefit arrangements for members from other denominations are the same as those for United Methodist clergypersons.

Members from other denominations are eligible to participate in CRSP and CPP if they satisfy the eligibility requirements, provided they are not participating in a similar program of the denomination to which they belong. They may also participate in UMPIP. They also may be eligible to participate in *UMLifeOptions* provided they meet the age and service requirements outlined in the plan sponsor's adoption agreement.

Participation in the conference-sponsored health insurance program will be based on the rules for that particular program.

Effect on Retirement Benefits

When a member from another denomination discontinues appointment in The United Methodist Church, the member's status in The United Methodist Church is terminated. Therefore, the rules that apply to terminated participants will apply to these participants as well.

Commonly Asked Questions

Q: Do members of other denominations serving United Methodist churches have to be enrolled in CRSP and CPP?

A: Yes. The plan documents state specifically that clergy of other denominations who are under episcopal appointment shall participate if they satisfy the eligibility requirements provided they are not participating in similar programs of their own denominations.

ORDAINED MINISTERS FROM OTHER ANNUAL CONFERENCES

Maintaining a Record of Service for Members of One Conference Who Serve in a Different Conference

Members of a conference who serve an appointment located in another conference through the provisions of ¶346.1 of *The Book of Discipline* will continue to have their membership listed as their member conference. The service record will indicate the conference where the appointment is located.

Participation in the Benefit Plans

Benefit arrangements for a member serving in another conference will be determined by the arrangements of the other conference.

Effect on Years of Service for Retirement Purposes

If the clergyperson continues to hold an appointment, the period of time served is included in the total years of service used to determine retirement eligibility.

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Commonly Asked Questions

Q: Who should perform the enrollment for these clergy?

A: The enrollment should be completed by the conference in which the clergy person is appointed. The membership conference must update the clergy person's record to show that the clergy person is approved to serve in another conference under ¶346.1. The service conference then enters the new appointment and enrolls the clergy person in the appropriate plans.

Q: Do members of other denominations serving United Methodist churches have to be enrolled in *UMLifeOptions*?

A: If the conference sponsors the Clergy Supplemental Life Insurance Plan, then clergy of other denominations will be considered the same as United Methodist clergy persons and will be enrolled if they meet the plan requirements and are eligible for CPP. If the conference allows the offer of the Optional Life Insurance Plan, such clergy will be eligible for it if they are eligible for CPP and meet the plan requirements.

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Section 3—Transitions/Life Events

There are various transitions or life events in a clergy person's life that require their special attention or thoughtful consideration, such as retirement, termination of conference relationship, becoming disabled or experiencing a death in the family. This section provides information that will be helpful to you as you counsel your clergy and their families through these transitions.

RETIREMENT

Clergy will need to make important decisions to ensure financial security and personal satisfaction in retirement. Wespith believes in providing one-on-one service for participants embarking on their retirement journey. Once a clergy person has made a decision to retire, a Wespith Retirement Team Specialist will guide the clergy person through the retirement process from beginning to end.

The Book of Discipline requires clergy to notify their conference of their intent to retire at least 120 days prior to their desired retirement date.

According to *The Book of Discipline*, clergy with 40 years of service or who are age 65 or older are eligible for normal retirement. Those with 30 years of service or who are age 62 or older are eligible for early retirement. Those who retire early under these rules may begin receiving retirement benefits right away, but these benefits may be subject to a reduction because they will be paid over a longer period of time. Those who retire under the 20-year rule must wait until age 62 to begin receiving retirement benefits. Please see the appropriate retirement category in the next few pages for more information.

Church-provided retirement benefits for United Methodist clergy have changed throughout the years. This means that clergy persons could potentially have benefits under one or more of the following three sources of benefits, depending on their years of service to the denomination. Although each of the sources provides a specific type of benefit for that service, all three sources are still part of one overall retirement program.

- Pre-82 Plan—for service prior to January 1, 1982
- MPP—for service on or after January 1, 1982 and ending December 31, 2006
- CRSP—for service beginning on or after January 1, 2007

RETIREMENT: NORMAL (§357.2C)

A clergy person who turns age 65 on or before July 1 or who has completed 40 years of service as of the annual conference session, as defined in §357.2(c) of *The Book of Discipline*, is eligible for normal retirement.

RETIREMENT: EARLY (§357.2B)

A clergy person who turns age 62 on or before July 1 or who has completed 30 years of service as of the annual conference session, as defined in §357.2(b) of *The Book of Discipline*, is eligible for early retirement.

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RETIREMENT: MANDATORY (¶357.1)

A clergyperson who turns age 72 on or before July 1 as of the annual conference session, as defined under ¶357.1 of *The Book of Discipline*, must retire.

Note: When a clergyperson notifies you of his or her intention to retire, please notify your conference benefits officer, who will notify Wespath of the intended retirement.

Q: At what age will participants be required to begin receiving remaining account balance(s)?

A: Participants must begin receiving required minimum distributions from all accounts (including life annuities from MPP and CRSP), as described by the plan documents and the Code, by the required beginning date of April 1 of the year following the later of:

- The calendar year in which they reach age 70½ (age 72 if participant reaches age 70½ after December 31, 2019), or
- Retirement or termination of employment.

RETIREMENT: WITH 20 YEARS OF SERVICE (¶357.2A)

Clergypersons who have completed at least 20 years of service under appointment as ordained ministers, or as local pastors with pension credit for service before 1982 or with full participation in CPP since 1981, as defined in ¶357.2a of *The Book of Discipline*, may request retirement before the opening date of the conference session.

When clergypersons notify you of their intention to retire, please alert your conference benefits officer. The conference benefits officer will notify Wespath.

RETIREMENT: AD INTERIM (¶357.2D)

Once clergypersons are determined to be eligible for 20-year rule, early, normal or mandatory retirement, they may request retirement between sessions of annual conference under ¶357.2(d) of *The Book of Discipline*. With approval of the bishop, cabinet and executive committee of the board of ordained ministry, clergypersons may be granted retirement-ad interim. Retirement-ad interim is subject to the approval of the clergy members at the next annual conference session.

When clergypersons notify you that they will retire ad interim, please notify your conference benefits officer. Once the retirement is granted, the conference benefits officer will notify Wespath on the *Ad Interim Retirement Authorization Form*.

RETIREMENT: INVOLUNTARY (¶357.3)

How Involuntary Retirement Is Determined

By a two-thirds vote of those present and voting, a conference may choose to place clergypersons in the retired relationship with or without their consent and regardless of their age. The board of ordained ministry gives written notice of “Involuntary Retirement” action to clergy members at least 180 days prior to the annual conference session.

TERMINATION OF CONFERENCE RELATIONSHIP

Whenever any clergyperson severs relationship with The United Methodist Church either voluntarily or involuntarily, it is the desire of Wespath to work with each participant to help him or her understand the impact on his or her retirement and other benefits to help make the transition as smooth as possible.

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TERMINATION

An ordained clergyperson terminates under ¶1358, ¶1359 or ¶1360, or a local pastor discontinues under ¶1320, of *The Book of Discipline*.

The following statuses are considered terminations of conference membership for CRSP, CPP and UMPIP purposes:

- Discontinued Local Pastors
- Discontinued Provisional Members
- Honorable Location
- Withdrawal to Unite with Another Denomination
- Withdrawal from Ordained Ministerial Office (Surrender of Credentials)
- Withdrawal under Complaints or Charges
- Termination of Orders under Board of Ordained Ministry or by Trial (Involuntary Termination)
- No record of appointment for more than five years (local pastors and deacons)

The conference benefits officer will notify Wespath of the termination, and Wespath will send correspondence to the terminated participant outlining the options.

Following is some general information on the impact of a termination of conference relationship on benefit program participation.

Effective February 26, 2019, Full Members, Elders in Full Connection and Deacons in Full Connection who terminate their annual conference relationship under ¶1360 of *The Book of Discipline* will be treated as “terminated vested” participants for retirement benefit purposes.

- Any lifetime monthly benefits earned from defined benefit (DB) plans (CRSP DB and Pre-82) will be converted to actuarially equivalent lump sums, which will be transferred to the participant’s UMPIP account.
- Any balances accumulated in CRSP DC and MPP also will be transferred to UMPIP.
- The CPP death benefit coverage terminates 31 days after the date of termination. CPP disability coverage terminates as of the effective date of termination.
- If the conference sponsors *UMLifeOptions*, the person may be eligible to port or convert coverage.
- Participants will be able to leave their UMPIP accounts invested with Wespath, and continue to access Wespath’s autopilot solutions for investment and distribution management.

For clergy not in the category described above (e.g. clergy is not a Full Member, Elder in Full Connection or Deacon in Full Connection who terminated his or her annual conference relationship under ¶1360 of *The Book of Discipline* on or after February 26, 2019):

- CPP death benefit coverage terminates 31 days after date of termination. CPP disability coverage terminates as of the effective date of termination.
- If a participant is receiving CPP disability benefits, the person will continue receiving such benefits until the terminated clergyperson is no longer eligible for such disability benefits pursuant to the terms and conditions of CPP. However, CPP contributions to CRSP DC will cease (CRSP DB accruals will cease as well) when the conference relationship terminates. The person will continue to be eligible for CPP death and survivor benefits as long as the person continues to be eligible to receive CPP disability benefits.
- If the conference sponsors *UMLifeOptions*, the person may be eligible to port or convert coverage.
- If the actuarial present value of the participant’s monthly benefits and account balances from all his or her Wespath-administered retirement plans is less than or equal to \$1,000, Wespath will distribute the value to the participant without the participant’s consent, unless the participant makes an election within a specified period of time.

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- If the actuarial present value of the participant's monthly benefits and account balances from all his or her Wespath-administered retirement plans is greater than \$1,000 but less than or equal to \$5,000, Wespath will roll over the account balance to an individual retirement account (IRA) in the participant's name without the participant's consent, unless the participant makes an election within a specified period of time.
- If the actuarial present value of the participant's monthly benefits and account balances from all his or her Wespath-administered retirement plans is more than \$5,000, the participant may request a distribution of CSRP DB and Pre-82 benefits at age 62.
- A participant may request a distribution of his or her CSRP DC account balance immediately upon termination.
- If the MPP account balance is greater than \$5,000 yet less than ¼ of the DAC in effect for the year in which the participant terminated, the participant may request a distribution of the account balance.
- If the MPP account balance is more than ¼ of the DAC in effect for the year in which the participant terminated, the terminated participant cannot elect to receive benefits until age 62 or later.
- UMPIP account distributions may be requested immediately upon termination.

Upon termination, clergy should contact their conference benefits officer to apply for continuation of health benefits. Payment of premiums for continued coverage is usually the responsibility of the terminated participant.

Commonly Asked Questions

Q: What Pre-82 past service pension rate is applied for a terminated clergy person?

A: Generally, if the clergy person was terminated on or after the close of General Conference 1976, the Pre-82 Plan past service pension rate for a vested participant is the rate in effect during the year in which the individual terminates. If terminated before the close of General Conference 1976, the rate is the one in effect at the time of receipt of benefits. If the person's Pre-82 benefit was converted to an actuarially equivalent lump sum and transferred to his or her UMPIP account, this does not apply. The vesting and benefit requirements are very complex. Please check with Wespath for additional information.

Q: What are the consequences of re-admitting a terminated clergy person for purposes of retirement (or, in the case of those who withdrew to join another denomination, recognition of retirement)?

A: The rate used to determine Pre-82 Plan retirement benefits will be the current pension rate. If the person's Pre-82 benefit was converted to an actuarially equivalent lump sum and transferred to his or her UMPIP account, that conversion and transfer into UMPIP will not be reversed.

Note: Before re-admitting a terminated clergy person for purposes of retirement, the conference may want to consider that this action may increase its past service pension liability.

CHANGES IN CLERGY FAMILY

If you receive notification regarding birth, marriage or marital litigation in a clergy family, please refer to the following procedures.

Birth

Please counsel clergy to notify the conference benefits officer of a birth or adoption for benefit purposes.

Remind eligible clergy to update beneficiaries for the benefit plans by logging into Benefits Access at www.benefitsaccess.org or by completing the *Designation of Beneficiary for Retirement and Welfare Plans* form, available on Wespath's website at www.wespath.org.

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If the conference sponsors life insurance benefits through *UMLifeOptions*, the clergy should update the *UMLifeOptions* beneficiary designation by visiting the Unum website at www.unum_umc.bswift.com, contacting Unum at **1-800-985-0242** or sending an e-mail to unitedmethodistchurch@unum.com.

Marriage

Please counsel clergy to notify the conference benefits officer and Wespath for benefit purposes.

Counsel clergy that the spouse becomes the primary beneficiary for certain retirement and/or welfare plans. Instruct clergy to provide Wespath with a copy of the marriage certificate.

Remind clergy to add or change the beneficiary by logging into Benefits Access at www.benefitsaccess.org or by completing the *Designation of Beneficiary for Retirement and Welfare Plan—Participants* form, subject to certain terms and conditions, available at Wespath's website at www.wespath.org.

If the conference sponsors life insurance benefits through *UMLifeOptions*, the clergy should update the *UMLifeOptions* beneficiary designation by visiting the Unum website at www.unum_umc.bswift.com, or contacting Unum at **1-800-985-0242** or sending an e-mail to unitedmethodistchurch@unum.com.

Important: Advise clergy to provide their beneficiaries' Social Security numbers.

Note: Once Pre-82 Plan benefits, MPP annuities and CRSP DB benefits are set up, the contingent annuitant will receive benefits upon the death of the participant, even if the contingent annuitant is no longer the participant's spouse, and even if the participant has remarried.

Marital Litigation

Please counsel clergy to notify the conference benefits officer and Wespath for benefit purposes.

Counsel clergy to request information from Wespath's Legal Services Department at **1-847-866-4202** about the division of retirement benefits pursuant to marital litigation or dissolution. Instruct clergy to submit a copy of the divorce decree to Wespath.

The former spouse is no longer the beneficiary for retirement and welfare benefits upon dissolution of the marriage (after January 1, 1997 for death benefits) unless a new designation of beneficiary form is completed by the clergyperson naming the former spouse as beneficiary after the dissolution is effective. If a new beneficiary form is not completed, death benefits, if payable, will be paid to the clergyperson's other beneficiary/beneficiaries or estate.

Note: Once Pre-82 Plan benefits, MPP annuities and CRSP DB benefits are set up, the contingent annuitant will receive benefits upon the death of the participant, even if the contingent annuitant is no longer the participant's spouse, and even if the participant has remarried.

DEATH

If you receive information regarding the death of a clergyperson, spouse, surviving spouse or dependent child of a clergyperson, please notify the conference benefits officer of the date of death as soon as possible. The conference benefits officer submits a completed *Notification of Death of Clergy and Their Survivors Form* and/or death certificate to Wespath.

Under CPP, for the purposes of a child death benefit, "child" is a natural or legally adopted child of an active or retired participant and who, at the time of death, was:

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- Younger than age 19,
- Age 19 or older and dependent upon the active or retired participant or the surviving spouse of the active or retired participant due to a behavioral or physical disability that existed prior to age 19, or
- Ages 24 and younger receiving a surviving child benefit.

Before advising the survivors of possible death benefits, ask the conference benefits officer to verify whether the deceased was a participant in a welfare program that may provide death benefits. Do not promise any death benefits until Wespath has verified eligibility and the beneficiaries under the terms of the applicable program.

If the conference sponsors life insurance benefits through *UMLifeOptions*, the beneficiary or his or her representative should contact Unum at **1-800-985-0242**.

If the conference sponsors life insurance benefits through *UMLifeOptions*, the clergy should update the *UMLifeOptions* beneficiary designation by visiting the Unum website at www.unum_umc.bswift.com, contacting Unum at **1-800-985-0242** or sending an e-mail to unitedmethodistchurch@unum.com.

If you are reporting the death of a spouse of a clergyperson, counsel the clergyperson to complete a new beneficiary designation form. **Important:** Advise the clergyperson to provide the Social Security numbers of his or her beneficiary/beneficiaries.

Note: Pre-82 Plan, MPP and CRSP DB benefits are set up and the contingent annuitant has predeceased the clergyperson, no additional benefits will be paid through the plan.

Death Benefits

Please see Section 4 for information on death benefits that may be payable under CPP and/or *UMLifeOptions* for an active or retired clergyperson.

DISABILITY

Under CPP, a clergyperson is considered disabled when Wespath and its claim agent determine that he or she is unable to perform the usual and customary duties of a United Methodist clergyperson due to a bodily injury, disease, or behavioral illness or disorder that is expected to last for at least six consecutive months, excluding disability resulting from service in the armed forces of any country, warfare, intentionally self-inflicted injury or participation in any criminal or unlawful act.

After receiving disability benefits for 24 consecutive months, the participant will be considered disabled only if unable to engage in substantially all of the usual and customary duties pertaining to any employment for remuneration or profit in any occupation for which the individual is reasonably qualified by training, education or experience. At any time during the application process, the conference can approve and advise Wespath of medical leave. Being on medical leave does not necessarily qualify a covered clergyperson for disability benefits under CPP; the plan definition controls.

If the clergyperson calls you regarding medical leave and inquires or needs information about how to apply for CPP disability benefits, please refer the clergyperson to the conference benefits officer to obtain the necessary forms to do so. If a clergyperson is not in CPP, medical leave may still be granted by the conference, but without CPP benefits.

You should call the conference benefits officer or chairperson of the Joint Committee on Incapacity. The conference benefits officer will send a disability benefits application packet to the participant to complete.

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The completed application is sent to Wespath, which determines eligibility under CPP. Wespath then forwards the application to its agent to adjudicate the claim in accordance with the terms and provisions of CPP.

CPP Approved	CPP Not Approved
<ul style="list-style-type: none">• Benefit may include a monthly benefit equal to 70% of the participant's plan compensation for the year benefits become effective, less Social Security benefits and other income and grants. Plan compensation is capped at 200% of the DAC for the year in which benefits become effective.• Contributions are made to the appropriate retirement plan account.• A distribution of 35% of the MPP account as well as a distribution from the UMPIP account also may be available to the participant.• Disability benefits will increase by 3% annually.	<ul style="list-style-type: none">• The conference may elect to provide a special grant to the clergyperson.• The conference also may elect on the appropriate plan adoption agreement to make contributions to CRSP and/or continue CPP coverage by paying the required monthly premiums.

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Section 4—Benefit Program Details and Miscellaneous Wespeth Programs and Services

CRSP—FOR SERVICE ON OR AFTER JANUARY 1, 2007

CRSP consists of a DB plan, which provides a monthly benefit at retirement based upon years of credited service to the Church, and a DC plan, which provides a retirement account balance established and funded by annual conferences. CRSP is the amendment and restatement of MPP, effective January 1, 2007. General Conference 2012 approved changes to the Defined Benefit (DB) component of CRSP, changes to the Defined Contribution (DC) component of CRSP and changes to the surviving spouse benefit under CRSP (see below for more information).

Think of CRSP as two retirement plans for service beginning January 1, 2007 (September 1, 2008 for bishops):

- A DB plan, providing lifetime or life-long retirement income for the participant and, if married, the spouse; and
- A DC plan, providing an account balance the participant can access as his or her retirement needs require.

DB Benefit at Retirement

The amount of the benefit payable under the DB plan is defined by a formula that includes the DAC (Denominational Average Compensation) and the clergy person's years of credited service. The DB benefit for bishops is based on their compensation instead of the DAC for years of credited service earned while serving as a bishop.

The following calculation shows how the monthly benefit will be determined:

$1.25\% \times \text{DAC}^4 \times \text{Years of Credited Service}^5$ from January 1, 2007 through December 31, 2013 \div 12 (months)

The multiplier for service beginning January 1, 2014 has been reduced to 1%.

$1.00\% \times \text{DAC}^4 \times \text{Years of Credited Service}^5$ after December 31, 2013 \div 12 (months)

The following benefit calculation is for a hypothetical clergy person with these criteria:

- Retires July 1, 2021, after 25 years of service in the denomination,
- Has 7 years of full-time credited service under CRSP—January 1, 2007 through December 31, 2013, and
- Has 7.5 years of full-time credited service January 1, 2014 through June 30, 2021 under the restated (changed) CRSP
- The 2021 DAC is \$74,199.

⁴ The DAC in the year of retirement. However, if eligible service is interrupted by a break in service, the benefit for the period before the break is calculated using the DAC in the year the break began.

⁵ Reduced for less-than-full-time appointments.

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Here is how Wespath calculates this clergyperson's CRSP monthly DB benefit:

**1.25% (0.0125) x \$74,199 (DAC) x 7 (Years of Credited Service) = \$6,492.41 per year.
The monthly benefit would be \$6,492.41 ÷ 12 months = \$541.03 per month plus,**

**1.00% (.01) x \$74,199 (DAC) x 7.5 (years of credited service from 1/1/14 to 7/1/2019) = \$5,564.92 per year.
The monthly benefit would be \$5,564.92 ÷ by 12 months = \$463.74.**

Total benefit would be \$541.03 plus \$463.74 = \$1,004.77 per month.

Form of DB Benefit (Normal)

For participants who are married at the time of the annuity starting date and who were not terminated, the normal form of benefit is a 70% contingent annuity with the spouse as the contingent annuitant, with 2% annual increases. For benefits earned after January 1, 2014 the initial dollar amount of the benefit paid to the married participant will be reduced to offset the value of spousal benefits.

For single participants and for participants who married after the annuity start date, the normal form of benefit is a single-life annuity with 2% annual increases. For terminated participants (regardless of their marital status), the normal form of benefit is a single-life annuity with 0% (no) annual increases. See page 20, for withdrawal under ¶360.

The participant may elect an optional form of benefit (if the normal form of benefit is the contingent annuity, the spouse must consent to the election of another form of benefit).

Form of DB Benefit (Optional)

Please contact Wespath if you need additional information on the additional forms of benefit available under the plan.

DC Plan

A CRSP DC account is established for the clergyperson. Every month, the annual conference contributes 2% of the clergyperson's plan compensation. In addition, the annual conference will match the amount the clergyperson contributes to UMPIP—up to 1% of plan compensation. Therefore, if the clergyperson contributes at least 1% to UMPIP, the CRSP DC contribution will be 3%. The clergyperson chooses from a variety of investment funds. At retirement, clergypersons have access to 100% of the account and can take a lump sum distribution, or they can take a partial distribution, and the remaining account will stay invested at Wespath until needed. Clergypersons also have the option of taking a series of regular payments called "retirement income" (also known as cash installments).

MPP—FOR SERVICE ON OR AFTER JANUARY 1, 1982 THROUGH DECEMBER 31, 2006

MPP was the retirement plan for United Methodist clergy under episcopal appointment in effect for service on or after January 1, 1982 through December 31, 2006. MPP was amended and restated as Supplement Three to CRSP effective January 1, 2007.

Under MPP, the plan sponsor contributed a percentage of the clergyperson's compensation base to the clergyperson's MPP account. The MPP account contains contributions made by the plan sponsor on behalf of the clergyperson; the MPP account is subject to investment gains and losses.

If a participant has an MPP account, it will continue to be invested, and at retirement benefits will continue to be paid from it as before. Benefits from MPP are based on the clergyperson's MPP account balance (as well as other factors) at the time he or she begins receiving benefits.

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Clergypersons have a choice of when to begin receiving benefits from their MPP account. Benefits may start as of the participant's normal or early retirement date or may be deferred to another date chosen by the individual, but no later than April 1 of the year following the year in which the participant turns age 72, or if later, his or her retirement. A 20-year retiree or terminated participant may not begin benefits before age 62.

Forms of Benefit

Upon retirement, 65% of the MPP account balance must be annuitized (paid monthly for life) and there are several annuity options available including Single Life and Life & Survivor annuities with 100%, 85% or 70% continuing to the surviving contingent annuitant. The default is Life & 70% for married participants.

The remaining 35% may be rolled over to UMPIP (UMPIP provides several distribution options including monthly retirement income), rolling over the account balance to another qualified plan or IRA, or receiving a lump sum distribution.

If the participant is married and elects an option other than the Life & 70% Survivor annuity (with the spouse as the contingent annuitant), the spouse must consent in writing. It is permissible to name someone other than the spouse as the contingent annuitant with spousal consent.

Amount of Benefit—A benefit is determined by making an actuarial calculation that takes into consideration the annuity starting date and the MPP account balance in conjunction with the choice of form of benefit, age, marital status, spouse's age (or the age of the contingent annuitant) where applicable, annual increase, the mortality tables adopted by Wespeth and the annuity conversion rate at the time of setup.

Post-Retirement Increases—The annuity resulting from the MPP account will increase automatically each year by 2%, unless a 0%, 3%, 4% or 5% increase has been selected by the participant. This increase is effective on the anniversary of the annuity starting date. The selection of a larger annual increase will lower the initial benefit.

PRE-82 PLAN (SUPPLEMENT ONE TO CRSP)—FOR SERVICE PRIOR TO JANUARY 1, 1982

The Pre-82 Plan provides benefits for eligible service with pension credit prior to January 1, 1982 under Supplement One to CRSP, sometimes referred to as Pre-82 Plan benefits.

The following description of the Pre-82 Plan benefits payable under CRSP Supplement One applies only to clergy who enter the retired relationship with the conference. It does not apply to persons whose conference status is terminated. If a participant terminated his or her conference relationship before receiving Pre-82 Plan benefits, other rules may apply.

Form of Benefit—Clergypersons receive a monthly retirement benefit for the duration of their life. Upon the death of the clergyperson, the surviving spouse, if eligible, receives a percentage of the benefit the clergyperson was receiving (the conference elected the percentage payable to the surviving spouse: 70%, 75%, 85% or 100%). To be eligible for the surviving spouse benefit, the surviving spouse must have been married to the clergyperson before the clergyperson ceased serving under episcopal appointment.

Clergypersons who are single at the time of retirement and those who were married after they ceased serving under episcopal appointment receive a monthly retirement benefit for the duration of their life. Upon the death of the clergyperson, all Pre-82 Plan benefits cease.

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Amount of Benefit—The Pre-82 Plan benefit is the greater of two formulas:

- The number of Pre-82 Plan service years with pension credit multiplied by the appropriate pension (past service) rate for the respective conference(s) divided by 12, or
- The Defined Benefit Service Money (DBSM) account balance divided by the appropriate annuity factor determined by the annuitant's age, marital status and type of annuity elected by the conference. DBSM is money contributed by certain conferences prior to 1982 for the purpose of funding clergypersons' Pre-82 Plan pension benefits. Not all participants will have DBSM.

If the benefit payable based on the DBSM account balance is greater than the benefit payable through the “years of service” formula, the annuity will be based on DBSM until the “years of service” formula exceeds the DBSM benefit. Contact your conference benefit officer or Wespath to determine whether DBSM is applicable to your conference.

Post-Retirement Increases—This benefit will change if the annual conference(s) votes to change its pension rate for service prior to 1982. The new rate normally goes into effect on January 1 of the next calendar year. There is no increase in the DBSM benefit.

Commonly Asked Questions

Q: Will the Pre-1982 benefit be reduced if the participant chooses to retire before age 65 or the completion of 40 years of service?

A: Yes. If the participant takes early retirement, the formula benefit related to service prior to January 1, 1982 will be actuarially reduced by ½% for every month the participant is less than age 65 at the time the benefit begins, or by ½% for each month he or she has served less than 40 years, whichever reduction is less. MPP benefits related to service on or after January 1, 1982 are actuarially determined based on the account balance. Since age at retirement is taken into consideration in these calculations, no further reduction will be made.

Q: Who is a contingent annuitant?

A: The contingent annuitant is the person who will receive continuing lifetime benefits upon a participant's death, if the participant chose a Life & Survivor annuity. (For married participants, the spouse at the time of the annuity effective date is the contingent annuitant unless he or she consents to the naming of another individual, if permitted by the plan.) Should the contingent annuitant predecease the participant, all payments will cease upon the participant's death.

Q: What are Life & Survivor annuities?

A: Life & Survivor annuities provide monthly payments for the duration of a participant's life. In the event of the participant's death, the designated surviving contingent annuitant will receive a percentage of the benefit for the duration of the contingent annuitant's life.

Q: What are Life Only annuities?

A: Life Only annuities provide monthly payments for the duration of a participant's life. The 5- and 10-year certain annuities will continue to a surviving beneficiary only if the participant dies before the end of the “certain” period stipulated in the annuity. A Life-Only-No-Refund annuity provides no continuing payments in the event of death.

Q: Are any supplemental retirement benefits available?

A: If a participant has been making contributions to UMPIP, additional funds may be available for retirement. These accumulations are available at any time following termination or retirement as a lump sum benefit, cash installments or partial withdrawals. There will be a mandatory 20% federal income tax withholding on certain distributions that are considered eligible rollover distributions and are not rolled over to a qualified retirement plan or individual retirement account (IRA), and a possible 10% excise tax for withdrawal of taxable amounts before age 59½.

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UMPIP

UMPIP is a retirement savings and investment plan administered by Wespath and is available to clergy and lay employees. UMPIP is designed to accept both employer and employee contributions, but eligible employees may make employee contributions even if the plan sponsor chooses not to make employer contributions.

Eligibility

UMPIP is available for United Methodist clergy under appointment, staff of United Methodist general agencies and lay employees of United Methodist churches and affiliated organizations.

Generally, in order to sponsor UMPIP, an employer must be a Code section 501(c)(3) organization and associated with The United Methodist Church. Other organizations may be eligible to be a plan sponsor if the organization is being served by an ordained elder under episcopal appointment. Conferences and local churches may sponsor UMPIP for participant and/or plan sponsor contributions for clergypersons. Non-conference entities, such as nursing homes, foundations or camps, can sponsor UMPIP for clergy participant and plan sponsor contributions.

A conference, local church or non-conference-responsible extension ministry may choose to make plan sponsor contributions for its clergy.

UMPIP is designed to provide greater flexibility in plan design to accommodate the varying needs of plan sponsors. Choices available to the plan sponsor include the following:

Plan Sponsor Contributions

Plan sponsors have a variety of contribution options:

- Matching contributions using a variety of formulas,
- Non-matching contributions based on participants' compensation,
- Conditional contributions based on participants' compensation and dependent upon required participant contributions, or
- Discretionary contributions with flexible design options.

Plan sponsors can choose either to discontinue or continue plan sponsor contributions for participants on long-term disability.

Eligibility Requirements for Plan Sponsor Contributions

These apply to lay employees and non-conference-responsible clergy only:

- Hours of service:
 - no minimum,
 - 1,000 hours of service per year, or
 - 1,040 hours of service per year.
- Minimum age:
 - none, or
 - 18 to 21 years.
- Minimum service:
 - none, or
 - 1 to 12 months.

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Conference-responsible clergy are immediately eligible if they are under episcopal appointment to the plan sponsor and receiving compensation.

Vesting for Plan Sponsor Contributions

These apply to lay employees and non-conference-responsible clergy only:

- Immediate,
- 1- to 36-month cliff, or
- 5-year graded (20% yearly).

Conference-responsible clergy are immediately vested if they are under episcopal appointment to the plan sponsor and receiving compensation.

Participation Date for Plan Sponsor Contributions

- First day of the month after the employee meets eligibility requirements, or
- Earlier of January 1 or July 1 after employee meets eligibility requirements.

Participant Contributions

Participants are able to make contributions to UMPIP through:

- **Before-tax contributions**—Money contributed to UMPIP on a before-tax basis is calculated pursuant to a salary-reduction agreement, meaning that current taxable income is reduced for federal income tax purposes. Federal income tax is not paid on the before-tax contributions until the contributions are received as a distribution from the UMPIP account.
- **Roth contributions**—Money contributed to UMPIP after taxes are withheld from pay. Earnings on Roth contributions are distributed tax-free if qualified. Roth distributions are qualified if the participant's first Roth contribution was made at least five years prior to distribution and he or she is 59½ or older, permanently disabled or deceased.
- **After-tax contributions**—Money contributed to UMPIP after taxes is withheld from pay.

Additionally, money can be contributed to UMPIP through:

- **Rollovers**—UMPIP accepts rollovers from most types of retirement plans, including IRAs and prior employer plans.
- **Transfers**—Active participants may transfer other Code section 403(b) plan account balances into UMPIP. The transferred amount remains subject to the rules and regulations of the plan from which it is being transferred, and the receiving plan must administer it in accordance with the original plan.

How Much May Be Contributed

The Internal Revenue Code (Code) and related regulations contain rules that limit not only how much can be contributed to UMPIP, but also the maximum employer contribution made on behalf of the participant to any qualified retirement plan.

Special Church Limit for 15 Years of Service

The Code allows church employees, as defined in the Code, a special limit if they have 15 years of church service.

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Code Section 402(g)—Elective Deferral

This section limits the total before-tax and Roth employee contributions that can be made by a participant. After-tax contributions are not affected by this limit. In 2022, you may contribute up to \$20,500 as before-tax and/or Roth contributions.

Individuals age 50 and older as of December 31, 2022, may make additional elective deferrals (catch-up contributions) beyond the Code section 402(g) limit. In 2022, those who are or will be age 50 or older may contribute an additional \$6,500 as before-tax and/or Roth contributions.

Please note that participants who are eligible for both the 15-years-of-service limit and the catch-up contributions must first exercise the 15-years-of-service limit.

Code Section 415(c)—Annual Addition Limit

This section limits the amount of total “annual additions” that can be put into one or more defined contribution plan(s) (such as CRSP and UMPIP) in a calendar year. The annual additions may not exceed the lesser of 100% of compensation (as defined under Section 415 of the Code⁶) or \$61,000 (for 2022⁷).

Annual additions include:

- Employer contributions (such as CRSP and UMPIP, if applicable)
- Employee contributions (before-tax, Roth and after-tax).

A participant may request that Wespath calculate the individual’s maximum contribution limit by submitting a completed *403(b) Contribution Planner Input Form*. This form may be requested by calling Wespath at **1-800-851-2201**.

Important: The Code does not include any amount of housing or parsonage allowances or exclusions in compensation for limit purposes. You may want to advise clergy who exclude a large percentage of their church salary as a housing exclusion to seek financial or tax advice regarding the impact of the exclusion on the contribution amount.

Distribution Options

Participants may elect to receive a distribution of their UMPIP account due to retirement or termination. Depending on the account balance, the following options may be available:

- A single lump sum payment
- Partial payments
- Monthly or annual cash installments
- LifeStage Retirement Income—a no-cost* service that automatically creates pension-like monthly benefit payments from a participant’s Defined Contribution Account.**

* Costs for this service are included in Wespath’s operating expenses that are paid for by the funds.

** Lifetime payments are not guaranteed (for example, in the event of extreme market conditions or longevity).

⁶ For purposes of calculating the 415 limit, “compensation” is defined as taxable cash salary, tax-deferred savings [Code sections 403(b) and 401(k) plans], and before-tax contributions to a Code section 125 Plan, as well as other sources of income.

⁷ The \$61,000 limit is adjusted for cost-of-living increases under Code section 415(d).

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Participants who wish to receive an annuity from their UMPIP account can roll over their account balance to an insurance company for the purchase of an annuity.

Some distributions made to a participant before age 59½ may result in a 10% federal income tax penalty, in addition to any income tax that may be due.

Wespath will calculate a participant’s required minimum distribution from their account and make the distribution as of the later of:

- April 1 of the calendar year following the calendar year in which the participant attains age 70½ (age 72 if participant reaches age 70½ after December 31, 2019), or
- April 1 of the calendar year following the calendar year in which the participant terminates or retires.

Following the initial minimum distribution, the annual minimum distribution must be made by December 31. This may result in two payments in the first calendar year.

Note: There will be 20% federal income tax withholding on certain distributions considered to be eligible rollover distributions that are not rolled over to a qualified retirement plan or individual retirement account (IRA), and a possible 10% excise tax for withdrawal of taxable amounts before age 59½. Wespath will withhold 10% of the required minimum distribution for federal income tax withholding unless the participant chooses no withholding or a different amount.

Hardship Loans and Withdrawals

Hardship loans are available to active and retired participants. Terminated participants are not eligible to take hardship loans. Hardship withdrawals are available to active participants, but not to retired participants.

Hardship Loans	Hardship Withdrawals
<p>Hardship loans may be taken for the following reasons:</p> <ul style="list-style-type: none"> • Qualified, unreimbursed medical expenses for participant, spouse, dependent or UMPIP beneficiary • Purchase of a residence (principal or secondary) • Payment of tuition and related educational fees for post-secondary education for participant, spouse, dependent or UMPIP beneficiary • Payments necessary to prevent eviction from a principal residence or foreclosure of a mortgage on the principal residence • Repair of damage to the participant’s principal residence that would qualify as a casualty expense • Funeral or burial expenses for the participant’s deceased parent, spouse, child, dependent or UMPIP beneficiary • Expenses due to declared disasters • Other severe financial hardships 	<p>Hardship withdrawals may be taken for the following reasons, after all other resources, including hardship loans, have been exhausted:</p> <ul style="list-style-type: none"> • Qualified unreimbursed medical expenses for participant, spouse, dependent or UMPIP beneficiary • Purchase of a principal residence only • Payment of tuition and related educational fees for the next 12 months of post-secondary education for participant, spouse, dependent or UMPIP beneficiary • Payments necessary to prevent eviction from a principal residence or foreclosure of a mortgage on the principal residence • Repair of damage to the participant’s principal residence that would qualify as a casualty expense • Funeral or burial expenses for the participant’s deceased parent, spouse, child, dependent or UMPIP beneficiary • Expenses due to FEMA-declared disasters

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Hardship Loans	Hardship Withdrawals
<p>With a hardship loan, participants borrow from and pay back their own account with interest. The interest rate is currently set at prime plus 2%. Because this is a loan that will be paid back, it is not considered a distribution and, therefore, is not taxable unless the participant defaults on the loan.</p> <p>The maximum loan amount depends on the participant's eligible account balance. The eligible account balance is the total account balance excluding plan sponsor contributions and qualified voluntary employee contributions (QVECs) and related earnings. QVECs are tax-deductible contributions attributable to taxable years ending before January 1, 1987. Regardless of the participant's eligible account balance, the loan amount cannot exceed the amount needed to meet the participant's financial hardship.</p> <p>If the account balance is:</p> <ul style="list-style-type: none"> • less than \$2,000, no participant loans are available, or • equal to or greater than \$2,000, the maximum loan amount is the least of \$50,000* or 50% of the vested account balance or the total in the participant's before-tax, Roth, after-tax and rollover accounts. <p><i>* Reduced by the participant's highest outstanding 403(b) plan loan balance during the preceding 12 months.</i></p>	<p>Hardship withdrawals are available only from before-tax and Roth contributions and after-tax participant accounts.*</p> <p>Since a hardship withdrawal is not paid back, it is considered a distribution and is taxable. Hardship withdrawals are subject to 10% federal income tax withholding requirement, unless the participant elects a different withholding amount.</p> <p>In addition, the withdrawal may be subject to the 10% tax penalty if the participant is younger than age 59½.</p> <p><i>* Earnings on Roth contributions are not used in the calculation to determine the maximum hardship amount available. Actual distributions are pro-rata and would include earnings.</i></p>

Other In-Service Withdrawals

Participants are eligible for withdrawals from their rollover accounts at any time.

Upon Attainment of Age 59½

Participants are eligible for withdrawals from their before-tax, Roth, after-tax or rollover accounts.

Investment Election Opportunities

Participants have the opportunity to choose how their defined contribution accounts will be invested. Defined contribution accounts include CRSP DC, RPGA and UMPIP. Participants have the following options:

- to manage the investment of their defined contribution accounts themselves and choose the investment fund(s) in which their accounts are invested, or
- to elect LifeStage Investment Management to manage their defined contribution accounts and allow the service to choose investment funds for them.

LifeStage Investment Management, offered by Wespath, is an investment management service that determines a participant's fund allocation based on the participant's age, Wespath account balances, expected Social Security benefits (if applicable) and the answers the participant may have provided in his or her *LifeStage Personal Investment Profile*.

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LifeStage Investment Management develops a customized investment fund allocation for the participant among Wespath investment funds.

Participants may discontinue LifeStage Investment Management and self-manage the investment of their defined contribution accounts at any time; however, they may be subject to a 60-day waiting period in accordance with Wespath's policy on interfund transfers.

Investment Funds

Several investment vehicles currently are available to participants. Participants may allocate their contributions among the funds in 1% increments adding up to 100%.

Refer to the *Investment Funds Description* for detailed information on each Wespath fund (at www.wespath.org; select "**Investments**" and then "**Funds**" or go directly to www.wespath.org/assets/1/7/3052.pdf).

EY Financial Planning Services

EY is a global financial services firm that provides financial planning resources and consultations.

The EY Navigate website is available at no additional charge to all Wespath plan participants. Participants log on at wespath.eynavigate.com. It includes articles on various financial topics and easy-to-use calculators on a wide array of personal finance topics. In addition, Wespath participants may get objective financial planning advice from EY's professional financial consultants at no cost.*

EY Financial Planning Services is available to:

- Active participants with an account balance
- Surviving spouses with an account balance
- Terminated and retired participants with an account balance of at least \$10,000

Eligible participants can call an EY representative as often as they like and spend as much time on the phone as necessary.

Benefits Access makes it easy for participants to provide retirement account information to EY. They simply log on at www.benefitsaccess.org, then:

- Select **Retirement** from the toolbar.
- Under **Profile**, choose "**Account Management Summary**."
- Set the "**EY Authorization button to "on."**

EY will be allowed to view participant retirement account balances; however, all other account information remains secure. Participants can change this preference at any time.

The *EY Financial Planning Services* brochure provides more detailed information on this service and can be accessed through the Wespath website at www.wespath.org/assets/1/7/4494.pdf.

* Costs for these services are included in Wespath's operating expenses that are paid for by the funds.

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Benefits Access

Participants have 24/7 access to their account information through Benefits Access (www.benefitsaccess.org). Participants may use Benefits Access to obtain current account balance information, make investment elections, transfer money among investment funds, obtain current investment fund performance information and request certain printed information.

UMLIFEOPTIONS

Overview

UMLifeOptions plans are elective and provide long-term disability (LTD) and life insurance coverage to eligible clergy and lay employees of The United Methodist Church and church-related organizations. The plans are insured by Unum, one of the leading underwriters of LTD and life insurance benefits.

Eligible Plan Sponsors

A plan sponsor is the organization that agrees to sponsor *UMLifeOptions* for its clergy and/or lay employees.

Eligible plan sponsors include:

- Local churches
- Jurisdictional, annual, provisional or missionary conferences
- Conference boards, agencies or commissions
- General boards, agencies or commissions
- Any other United Methodist organization eligible to participate in a church plan in accordance with the provisions of ERISA

UMLifeOptions allows plan sponsors to choose the types and levels of coverage they offer. Plans available under *UMLifeOptions* include:

- Lay Long-Term Disability Plan
- Lay Life Insurance Plan
- Clergy Supplemental Life Insurance Plan
- Optional Life Insurance Plan

Each of the plans is described in more detail below.

Lay Long-Term Disability Plan

This plan covers active lay employees and clergy who are not eligible for coverage under the Comprehensive Protection Plan (CPP) and offers the following features:

- Monthly income replacement: 60% of pre-disability compensation up to \$5,000 (may increase to 80% if claimant experiences a catastrophic disability)
- Up to 3% of plan sponsor's contribution paid to claimant's UMPIP account during LTD period
- Return-to-work incentive
- Waiver of LTD premium while claimant is on disability
- Employee Assistance Program (EAP)

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Lay Life Insurance Plan

This plan covers active and retired lay employees and clergy not eligible for CPP.

- Death benefit options for active participants and dependents:
 - Participant: \$10,000 to \$250,000
 - Spouse: \$5,000 to \$50,000
 - Dependent child: \$2,000 to \$10,000
- Death benefit options for retired participant:
 - \$5,000 to \$50,000
- Accelerated death benefit up to 50% of insured's benefit amount in the case of terminal illness
- Optional Accidental Death and Dismemberment benefit (for active participant only)
- Portability and convertibility
- Telephone-based survivor grief and financial counseling services

Clergy Supplemental Life Insurance Plan

Coverage under this supplemental plan is in addition to coverage provided to active and retired clergy through CPP.

- Death benefit options for participants and dependents:
 - Active participant: \$10,000 to \$250,000
 - Spouse of active participant: \$5,000 to \$50,000 (if elected by plan sponsor)
 - Dependent child of active participant: \$2,000 to \$10,000 (if elected by plan sponsor)
 - Retired participant: \$5,000 to \$50,000
- Accelerated death benefit up to 50% of insured's benefit amount in the case of terminal illness
- Optional Accidental Death and Dismemberment benefit (for active participant only)
- Portability and convertibility
- Telephone-based survivor grief and financial counseling services

Optional Life Insurance Plan

The Optional Life Insurance Plan is a voluntary plan under *UMLifeOptions* and provides an opportunity for eligible active clergy and lay employees to purchase additional life insurance for themselves, their spouses and eligible children—in addition to the life insurance provided through CPP, the Clergy Supplemental Life Insurance Plan or the Lay LTD and Life Insurance Plan.

For active participants enrolled in the Lay Life Insurance Plan and clergy enrolled in CPP who work at least 1,040 hours per year or a 50% appointment.

- Flexible incremental coverage amounts:
 - Active participant: \$10,000 to \$500,000
 - Spouse: \$5,000 to \$100,000
 - Dependent child: \$1,000 to \$25,000
- High guaranteed-issue amounts up to \$100,000 for active participant, \$25,000 for spouse and \$25,000 for dependent child
- Accelerated death benefit up to 50% of the insured's benefit amount in the case of terminal illness
- Optional Accidental Death and Dismemberment coverage (for insured participant only)
- Portability and convertibility

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BASIC PROTECTION PLAN (BPP)

The Basic Protection Plan (BPP) was replaced by *UMLifeOptions* as of January 1, 2009. However, persons who became disabled while an active participant in BPP continue to be covered under BPP for any appropriate disability benefits and may be covered for death benefits, if the conference elected to sponsor such death benefits.

COMPREHENSIVE PROTECTION PLAN (CPP)

General Conference established the Comprehensive Protection Plan (CPP) to provide death benefits, long-term disability income replacement benefits and other survivor benefits for eligible clergy and their families. For most clergy, the conference is the plan sponsor.

General Eligibility Requirements

Eligible persons include:

- Clergy members (elders, deacons and associate members) of a conference or clergy members of another Methodist denomination serving a full-time episcopal appointment
- Full-time local pastors under episcopal appointment
- Clergypersons of another denomination who are under episcopal appointment serving full-time and not in a similar program provided by the other denomination
- Bishops

These persons must receive plan compensation of at least 25% of the DAC.

Elective Coverage (Conference Choice)

Each annual conference can elect to cover elders, deacons and associate members and/or local pastors with $\frac{3}{4}$ -time appointments with plan compensation of at least 25% of DAC.

Each annual conference may also elect on its adoption agreement, to continue coverage for up to 12 months for clergypersons in the following leaves or appointments that do not meet the above eligibility requirements:

- Sabbatical leave
- Attend School
- Voluntary leave (personal leave, family leave and transitional leave)
- Medical leave of absence (not CPP disabled)

Contact your conference benefits officer or Wespath for your conference's elective coverage.

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CPP BENEFITS AMOUNTS

The following information generally describes the benefit amounts payable under the terms and conditions of CPP to eligible participants and their beneficiaries. For more information about the terms of CPP, please see the *CPP Summary Plan Description*. Although all efforts have been made to ensure the accuracy of this document, in the event of a discrepancy between this document and the *CPP Plan Document*, the plan document always governs.

Active Participant Death Benefits

Payable upon the death of an eligible active participant:

- \$50,000 payable in 12 monthly installments or one lump sum
- Annual surviving spouse annuity benefit of 20% of the DAC (in the year death occurs), less the defined benefit payable from CRSP and other Church-related sources
- Annual surviving child benefit of 10% of the DAC (in the year death occurs) payable in 12 monthly installments⁸
- Annual surviving child educational benefit of up to 20% of the DAC (in the year death occurs) payable in equal installments⁹

Retired Participant Death Benefits

Payable upon the death of a retired participant:

- \$20,808 payable in one lump sum for clergy who retire January 1, 2013 or later (amount may increase up to 2% every quadrennium)
- Annual surviving child benefit 10% of the DAC (in the year death occurs) payable in 12 monthly installments⁸
- Annual surviving child educational benefit of up to 20% of the DAC (in the year death occurs) payable in equal installments⁹

Spouse Death Benefit

Payable upon the death of a spouse of a participant:

- \$15,606 payable in one lump sum for clergy who retire January 1, 2013 or later (amount may increase up to 2% every quadrennium)

Surviving Spouse Death Benefit

Payable upon the death of a surviving spouse of a deceased participant:

- \$10,404 payable in one lump sum for clergy who retire January 1, 2013 or later (amount may increase up to 2% every quadrennium)

Child Death Benefit

Payable upon the death of a dependent child¹⁰ of a participant:

- \$8,323 payable in one lump sum for clergy who retire January 1, 2013 or later (amount may increase up to 2% every quadrennium)

2022 DAC: \$75,570

2023 DAC: \$76,221

⁸ Ages 17 and younger. Benefits are paid through the month in which the child attains age 18.

⁹ Ages 18 through 24 and attending school full-time. Half of the annual benefit may be paid if the child is attending a secondary school. If the child enters a post-secondary institution of higher learning prior to age 18, the remaining half of the educational benefit may become effective at the time.

¹⁰ Ages 18 and younger; ages 19 and older if dependent of the participant or surviving spouse of the participant due to a behavioral or physical disability that existed prior to age 19; or ages 24 and younger and receiving a surviving child benefit.

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Disability Benefits

The disability benefit equals 70% of plan compensation for the plan year in which the first payment is effective, with plan compensation capped at 200% of the DAC. The disability benefit is reduced by any disability benefits payable under the Social Security Act, and may be further reduced by other income¹¹.

Contributions will be credited, in monthly installments, to the participant's CRSP DC account:

- 2% of compensation as defined by CRSP
- The amount deferred to UMPIP from CPP disability benefits up to 1% of compensation as defined by CRSP

Rehabilitation benefits and transitional disability benefits may also be available.

Commonly Asked Questions

Q: How is the amount of the disability benefit determined?

A: The annual CPP disability benefit, payable in monthly installments, is equal to 70% of the participant's plan compensation for the year in which benefits become effective, minus Social Security benefits and other income or earnings. The amount of the benefit will increase each year by 3% on the anniversary date of the first payment. The clergy person's plan compensation considered for CPP benefits is capped at 200% of the DAC in effect on the date the disability benefits become effective.

Q: How long can a participant receive CPP-approved disability benefits?

A: If the participant is no longer disabled based on medical evidence, in accordance with the plan document provisions regarding what constitutes disability and medical evidence, benefits will terminate.

If the participant fails to submit to a medical examination or to deliver medical evidence of continuing disability or any other requested relevant information within 90 days of the request, benefits will be suspended as of the last day of the month in which the 90 days expires. If the participant does not undertake appropriate actions or provide appropriate documentation within nine months after the suspension, benefits under the plan will cease as of the last day of the nine-month period.

If the participant is not under the regular care and treatment of a properly licensed physician with expertise in the appropriate medical specialty, benefits may be terminated. (A physician who is a member of the participant's family is not an acceptable treating physician.)

For participants with Dates of Disability—December 31, 2012 and earlier:

If the participant became disabled on or before age 60, disability benefits may continue until June 30 following the participant's 65th birthday.

If the participant became disabled after age 60, benefits may continue until the earlier of:

- June 30 following the end of a five-year period from the date of disability, or
- June 30 following the participant's retirement date.

¹¹ Other reductions may apply as determined by Wespath.

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For participants with Dates of Disability—January 1, 2013 and after:

If the participant became disabled before his or her 62nd birthday, disability benefits may continue until the June 30 following his or her Social Security Normal Retirement Age. (If the annual conference does not end in May or June, the termination effective date will instead be the last day of the month in which the annual conference session ends.)

If the participant became disabled on or after his or her 62nd birthday, disability benefits may continue until:

- June 30 following the last day of eligibility based on the Age Benefit Reduction table below, or
- June 30 following his or her retirement date. (If the annual conference does not end in May or June, the termination effective date will instead be the last day of the month in which the annual conference session ends.)

Age at CPP Disability Date	Benefit Duration
62	60 months
63	48 months
64	42 months
65	36 months
66	30 months
67	24 months
68	18 months
69 or over	12 months or age 72, whichever is earlier

HEALTHFLEX

Overview

The Hospitalization and Medical Expense Program, also called HealthFlex, is a self-insured employee health benefit plan that is a church plan and provides group health, prescription drug, mental health, dental and vision coverage, as well as comprehensive well-being programs and incentives. HealthFlex also is a cafeteria plan that allows participants to pay for their portion of contributions for group health coverage on a before-tax basis and provides the option of deferring compensation to flexible spending accounts and health savings accounts (for those enrolled in a qualified high deductible health plan). HealthFlex provides for the health care needs of eligible participants of United Methodist conferences and affiliated institutions that adopt the program. It also serves groups that subadopt the program for their employees under the adoption agreement of a larger entity (e.g., United Methodist conference). Health benefits are provided to active and retired participants through high-quality, broad, nationwide preferred provider organization (PPO) networks. Wespeth has developed beneficial relationships with many of the nation’s leading health care organizations and service providers, including Blue Cross Blue Shield of Illinois, UnitedHealthcare, OptumRx, Health Equity, CIGNA and VSP. HealthFlex plan designs are uniquely suited to meet the needs of lay employees and clergy of The United Methodist Church.

HealthFlex offers a private exchange model called “HealthFlex Exchange” in which a plan sponsor chooses to offer all 6 medical/pharmacy plans, 3 dental plans, and 3 vision plans from which eligible participants can choose. In HealthFlex Exchange, the plan sponsor identifies a “defined contribution,” or a fixed amount of money that participants are allotted to help pay for their medical, dental and vision premiums. Participants are responsible to

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pay any premium that exceeds the defined contribution. Those who do use their full defined contribution toward premium are able to keep the excess in a health account to pay out-of-pocket expenses.

Features

Because HealthFlex operates as a cafeteria plan in accordance with §125 of the Code, the program allows participants to use before-tax dollars to pay for:

- Group medical, dental and vision coverage contributions (premiums)—including any premiums that exceed the defined contribution in HealthFlex Exchange
- Eligible health care expenses (e.g., deductibles, co-payments, dental, vision and hearing) through a flexible spending account called the Medical Reimbursement Account (MRA) or through personal Health Savings Account (HSA) contributions
- Eligible dependent care expenses (e.g., nursery school, nannies, elder care centers) through a flexible spending account called the Dependent Care Account (DCA)

HealthFlex participants are offered a variety of medical benefit options, differentiated by plan type, deductibles and out-of-pocket limits. Options include PPO, Consumer-Driven Health Plans (CDHPs) and qualified High Deductible Health Plans (HDHPs). Number of plan choices depends on the selections of the plan sponsor.

All HealthFlex medical plans include pharmacy plan benefits using two delivery methods:

- Prescription drugs purchased through participating retail pharmacies for 30-day medication supplies; additional use of Walgreens pharmacies for 90-day supplies of maintenance medications.
- Home delivery service through OptumRx for 90-day maintenance medication supplies.

Well-being is a primary objective of HealthFlex. Comprehensive well-being programs, such as health coaching, a physical activity program, physical exams and biometric screening tests, are offered to participants. Well-being incentives are also offered to encourage high participation in well-being programs.

Program sponsors that have adopted HealthFlex have a choice of dental plan options. Options include a dental HMO, PPO, and passive PPO plans.

Program sponsors that have adopted HealthFlex have a choice of vision plan options. Options include exam core, full service, and premier.

Plan sponsors can provide access to the individual Medicare market supplement plans with conference-funded Health Reimbursement Accounts (tax-advantaged to the participant) through a relationship between Wespath and Willis Towers Watson's Via Benefits for retirees age 65 and over who are Medicare-eligible.

Eligible Program Sponsors

- General agencies of The United Methodist Church
- Jurisdictional conferences
- A conference located in a jurisdictional conference
- A conference board, agency or commission located in a jurisdictional conference
- Affiliated organizations located in a jurisdictional conference (such as colleges, universities, hospitals, nursing/retirement centers, etc.) that are eligible under federal regulations to participate in a church plan.

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A minimum number (typically 50) of eligible participants is required for independent adoption of HealthFlex. Smaller entities may have the opportunity to subadopt under the adoption of a larger entity (e.g., annual conference).

Eligible Employees

All employees of a program sponsor who meet the eligibility requirements for basic participation, as defined by the plan document, underwriting guidelines and the Risk Pool Rules, are eligible to participate in HealthFlex. Also eligible are employees in the optional categories selected by the program sponsor in its adoption agreement. Eligibility requirement criteria may include:

- Appointment status
- Length of service
- Employment status (full-time, part-time, etc.)

Commonly Asked Questions

Q: What are the advantages of HealthFlex?

A: HealthFlex has many advantages for program sponsors and participants. Program sponsors are offered unparalleled services and support, with a commitment to financial stewardship through strategic leadership and consultation; complete vendor management/oversight; broad choice of plan designs; training, reporting, and communications; and high satisfaction among existing plan sponsors. Participants receive broad benefits coverage for medical, pharmacy, behavioral health, vision and dental; comprehensive and award-winning well-being programs, tax advantaged premium contributions and reimbursement accounts, and dedicated customer support and decision support tools.

Q: How does a conference or employer become a program sponsor?

A: Any conference or employer interested in HealthFlex should contact their Wespath client relationship manager. Additional information and data needed to provide a custom rate quote will be provided.

MISCELLANEOUS PROGRAMS AND SERVICES

Emergency Grants (Farmer Fund Grant Program)

The Farmer Fund Grant Program provides special emergency financial assistance to certain individuals.

A Farmer Fund Grant may be made in the event of a one-time emergency need. The following are eligible to apply for a grant:

- An active or retired clergy member of an annual conference
- A clergy member's spouse or former surviving spouse
- A clergy member's dependent children (including adult dependent children)

Members of other denominations are not eligible.

The guidelines for this program include:

- An individual may receive one grant in a calendar year
- A grant will only be approved for a one-time emergency situation
- A grant will not be approved if a previous grant was made for the same emergency situation

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If an individual wants to apply for a Farmer Fund Grant, you should advise the individual to contact the conference benefits officer. All requests for assistance from the Farmer Fund Grant Program are made through the conference board of pensions on an application form provided by Wespath.

The individual and the conference benefits officer complete the application including documentation that substantiates the need for the grant.

The district superintendent or the conference benefits officer provides a supporting statement, documentation or letter supporting the application. On the application form, the conference benefits officer certifies a concurrent grant will be made by the conference matching \$1 for every \$3 provided by the Farmer Fund. The Farmer Fund Grant amount will be a maximum of \$3,000 per individual request.

The conference benefits officer sends the completed application with supporting documentation to the client relationship manager at Wespath. The client relationship manager and Farmer Fund Grant administrator review and process the application form.

Approved	Not Approved
Wespath sends the check to the conference benefits officer for presentation to the applicant.	Wespath notifies the conference benefits officer of denial, the conference benefits officer notifies the applicant.

Direct Deposit

Wespath will provide direct deposit service as a convenient means of depositing monthly benefit payments in a participant's bank account. Direct deposit may be accomplished through electronic fund transfer (EFT) or mail for institutions that cannot accept electronic transfers.

A *Direct Deposit* form, provided by Wespath, must be completed by the financial institution and the participant. A participant wishing direct deposit should request the form from Wespath. The form must be on file with Wespath before the direct deposit service can begin. A minimum of four weeks is necessary to implement this service.

Toll-Free Telephone Service

Wespath provides a toll-free telephone information service. The number is **1-800-851-2201**.

Specific items that can be handled easily by telephone are:

- Replacement of a lost or missing check
- Interpretation of any form or check received
- Replacement of any mailing or report
- Notification of a death
- Change of a billing address
- Projection of future pension benefits
- Clarification of an arrearage problem of a 30-day period or less
- Service record copy request

Requests for retirement and welfare benefit plan materials administered by Wespath include:

- General information publications
- Plan documents and summary plan descriptions

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- Materials regarding before-tax, Roth and after-tax contributions
- Enrollment packets for new participants in CRSP, UMPIP, CPP and *UMLifeOptions* or for persons appointed to extended ministries
- Retirement information packets

Specific forms, including:

- Application for benefits forms
- Beneficiary Designation forms (also available at www.wespath.org)
- Income tax withholding forms
- Direct Deposit form
- Rollover forms
- Transfer forms
- Billing change forms for UMPIP

Other concerns may require significant research or may require documentation from the participant. Written requests are necessary for the following items:

- Arrearage problems of more than 30 days
- Church address changes
- Divorce litigation
- Service record information
- Personal statistics
- Current beneficiary designation
- Home address changes
- Account balances
- Detailed statement of account inquiries
- Verification of present or future pension benefit amounts
- Power of attorney documents

Benefits Access

Benefits Access is Wespath's online information system designed to give participants instant access to their retirement accounts from a computer. Through Benefits Access, participants can:

- apply for benefits from their Wespath-administered retirement plans
- model and enroll in LifeStage Investment Management
- view and adjust LifeStage Investment Management variables
- allow EY Financial Planning Services to view their account balance
- view account balances, current investment fund elections and annuity rates
- track investment performance
- perform account transactions, such as investment election changes, transfers between funds and rebalancing of accounts
- model and apply for loans from defined contribution retirement accounts
- change their e-mail address
- change beneficiary designations
- download summary plan descriptions and forms
- choose electronic delivery for account statements and mailings

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To log in to Benefits Access (**benefitsaccess.org**), participants must enter their usernames and passwords. If a participant has not registered for Benefits Access, he or she must click “**New User Registration**” and follow the prompts.





Wespath

BENEFITS | INVESTMENTS

a general agency of The United Methodist Church

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