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Bringing you great tips for responsible investing

January 2020

Foresight in 2020

It's a new year with new opportunities for you to focus on your financial future. Why not start now by increasing your retirement plan contributions?

The earlier you start, the more you'll have for retirement. While it is a basic concept, it doesn't do justice to the tremendous impact of time on investments. Another way to phrase this gets closer to the truth: ***When*** you start saving outweighs ***how much*** you save.

Let's Look at an Example:*

- If you invested $200 a month from age 25 to 35 (10 years), it could grow to nearly $300,000 at age 67, without any additional retirement plan contributions.
- Wait a decade to start, and you will have to contribute for 3 times as long—you'd have approximately $275,000 if you saved $200 a month from age 35 to 67.
- And if you saved from age 25 to 67, you'd have **more than $570,000!**

Start Now

It's easy to begin making contributions to the United Methodist Personal Investment Plan (UMPIP). Complete and return a *Contribution Election* form electing the percentage of income you want to contribute to the plan. Financial advisors recommend contributing 15% of your compensation. If you can't afford that much, contribute at least enough to earn any matching contribution your conference, church or employer may offer.

Already Making Contributions?

It may be time for an increase. Consider making a greater contribution to your future when you receive compensation increases or bonuses—that's when you're less likely to notice an impact on your budget. If your conference or employer offers automatic contribution escalation**, your before-tax contributions may increase automatically each year.

* Calculations assume a 7% annual rate of return on investments. To run your own savings projections on the EY website, log in to **wespath.eynavigate.com**—go to **Learning Center > Other resources > Calculators > Don't Delay Your Savings**.

** Review your *Automatic Enrollment Notice* or check with your plan sponsor to see if you are covered under automatic contribution escalation.

Deciding How to Spend in Retirement

Articles about retirement savings tend to focus on the importance of contributing while you're working, but less guidance is available to tell you how to responsibly spend your retirement savings. It can be difficult to plan your distribution strategy—avoiding both unnecessarily conservative spending that causes hardship and overspending that could cause you to run out of money.

Studies have found that many retirees withdraw only what the government's Required Minimum Distribution rules require due to fears that they will exhaust their accounts prematurely. That's why Wespath offers **LifeStage Retirement Income***, a service available at no additional cost that is designed to manage your distributions in retirement. It issues monthly payments to you from your consolidated defined contribution accounts, with a goal to make your retirement income last for your lifetime and keep pace with the cost of living.

The service cannot guarantee that your account balance will last for your lifetime. However—unlike most guaranteed products (e.g., annuities)—when you participate in LifeStage Retirement Income, your account will continue to be invested on your behalf and you can leave any remaining account balance for beneficiaries upon your death.

If you aren't sure whether LifeStage Retirement Income is right for you, use the LifeStage Retirement Income Calculator in Benefits Access—log in to **benefitsaccess.org** and select **Take Action > PROJECT FUTURE VALUES > Calculate LifeStage Retirement Income**. EY Financial Planning Services* is also available to help you determine a distribution strategy or evaluate whether to use LifeStage Retirement Income. Planners are available business days from 8:00 a.m. to 7:00 p.m., Central time at **1-800-360-2539**.

* Costs for these services are included in Wespath's operating expenses that are paid for by the funds. EY Financial Planning Services are available to active participants and surviving spouses with account balances, and to retired and terminated participants with account balances of at least $10,000.

Did you max out your retirement plan savings in 2019?

You can increase them this year to:

- $19,500 in before-tax and/or Roth contributions
- plus up to $6,500 in catch-up contributions if age 50 or over by year end (totaling $26,000)
- plus up to an additional $3,000 with 15+ years of UMC service (call Wespath at **1-800-851-2201** for details)

The Saver's Credit income limits also increased to $65,000 for married couples filing jointly; $48,750 for heads of household, and $32,500 for singles and married filing separately.

Limits also increased for Health Savings Accounts

If you are in a high-deductible health care plan, your Health Savings Account limits increased to:

- $3,550/ individual or $7,100/ family
- +$1,000 if age 55 or over by year end

Learn more on the IRS website. Go to **wespath.org/limits** to link to the IRS.

BY THE NUMBERS:

The Historic Bull Market

In the wake of the economic crisis of 2008, the U.S. stock market reached its lowest point in March 2009. What followed represents the longest-running “bull market” in history. If it continues, it will turn 11 years old in just a few weeks.

A bull market is a period during which stock prices have significantly risen over a period of months or years. While the stock market has seen its ups and downs over the past year, we have not witnessed a 20% decline—the signal of a bull market’s end—in over a decade.

This unprecedented streak offers plenty of data points to consider. Let’s take a look at a few key numbers behind the bull market:

The S&P 500, a stock market index that measures major companies listed in the U.S., has risen **over 300%** during the bull market.*

Despite its record length, the current bull market trails the 1990s bull market’s overall performance. During that run, the S&P 500 rose **more than 415%**.

In late 2018, a three-month stretch of volatility saw the S&P 500 decline **19.8%** from its previous high, narrowly avoiding the end of the streak.

Wespath and its subsidiaries’ assets under management have grown **nearly 103%** since March 2009.*

Required Annual Disclosure to Church Plan Participants

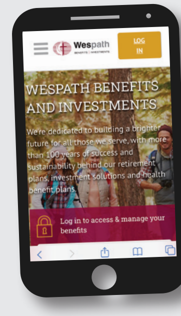
Retirement plans administered by Wespath are church plans that are not subject to registration, regulation or reporting under:

- Employee Retirement Income Security Act of 1974 (ERISA)
- The Investment Company Act of 1940
- The Securities Exchange Act of 1934
- The Securities Act of 1933
- Title 15 of the United States Code
- State securities laws

Similarly, the administrator and the trustee of the plans and the entities maintaining any investment funds under the plans are not subject to the provisions of those acts or laws.

*As of 11/13/2019

Check Out Our New Website



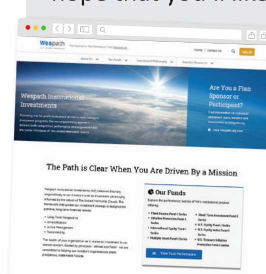
Wespath introduced a re-designed website in early December. The new site is designed to be easier to navigate, it is more user-friendly and it has a mobile device-compatible design.

The new site will provide more concise information about our plans, programs and investments at your fingertips. What matters to you most will also be easier to find with improved site navigation. Bookmarks for frequently-visited pages will redirect to the new content. However, make sure you save **wespath.org** as the homepage.

You don’t need to log in to access the new sites.

Just visit **wespath.org** to explore our benefits articles, webinars, videos, benefit plan information and investments.

Visit our new website today—we hope that you’ll like what you find!



Note: Wespath maintains a separate website for organizations that have institutional investment accounts with Wespath. That website, **wespath.com**, has also been redesigned.

SUSTAINABLE INVESTING:

A Year In Review

Wespath has been recognized as a world leader in sustainable investment for many years. In 2019, we sought to further underscore our industry leadership by evolving our investment and engagement work as we identified new ways to approach a number of important long-term sustainability issues. Here are highlights of our 2019 work related to these themes.

Board Diversity

We are members of the Midwest Investors Diversity Initiative (MIDI), an investor network representing over $870 billion in assets that jointly asks the companies in which we invest to adopt board diversity best practices. In 2019, our work with MIDI resulted in six companies adding a diverse candidate to their board of directors.

Human Rights

Human rights were the focus of last year's engagement with an online travel services company, Booking Holdings. We had concerns about the risk presented by the company's properties located in global "conflict areas." We successfully requested a risk assessment regarding these properties and will continue the dialogue on our human rights concerns.

Climate Change

As the world continued its transition to a low-carbon economy, we expanded our "Transition Ready" investment framework. In October, Wespath and its subsidiaries committed a combined $300 million to new Transition Ready strategies, bringing the total investments in these strategies to over $1.7 billion. As a reminder, this strategy tilts its investments toward companies best positioned for the transition to a low-carbon future.

Opioid Accountability

Our aim to promote corporate governance best practices pointed us toward the pharmaceutical industry in 2019. We worked alongside the Investors for Opioid Accountability to ask opioid manufacturers, distributors and retailers to adopt policies intended to help curtail the country's opioid crisis.

2019 was another hallmark year for our sustainable investing activities, and we look forward to carrying that momentum into 2020—and beyond.

Looking for information about Wespath's legislation for General Conference 2020?

Visit our website at **wespath.org/gc2020**

Mark Your Calendars!

Clergy Benefits Academy

February 17-19, 2020
Oklahoma City, Oklahoma

For clergy of all ages and stages of ministry—new ordinands, early-career clergy, mid-career clergy, ready-to-retire clergy, district superintendents, clergy in extension ministries—and spouses.

Register at **wespath.org/events/**.

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