



Wespath

BENEFITS | INVESTMENTS



Wespath's Legislation Highlights

General Conference
April 23 – May 3, 2024



About Wespath

Wespath is one of 13 general agencies serving The United Methodist Church (UMC). Wespath is the benefits administrator for the Church—administering retirement, health, disability and death benefits for more than 100,000 participants (active and retired clergy, lay employees, and family members). Wespath also provides investment management services for more than 150 Methodist-related institutional investors.

Our name honors John Wesley and reflects our mission of providing a path to financial security for those we serve.

Our reach is worldwide. Through the Central Conference Pensions program, Wespath helps administer pension funds for over 3,600 retirees and their spouses in Africa, Philippines, Central and South Europe, and Eurasia.

Wespath does not receive any general church funds.



WESPATH'S LEGISLATIVE PRIORITIES FOR GENERAL CONFERENCE IN 2024 WERE SHAPED BY OUR CORE GOALS:



Caring for those who serve—
now and long into the future



Helping participants and institutional clients meet their financial objectives while honoring United Methodist values



Providing dependable retirement income for clergy in a manner that is affordable to the Church



Continuing engagement strategies that drive positive change to support social justice and environmental resilience



Assuring long-term sustainability of benefit plans in a changing Church environment



Providing service with grace and integrity for the UMC and other Methodist organizations



This brochure highlights key benefit plan changes and other Wespath legislation approved by the General Conference in 2024.



Visit wespath.org/GC2020 for more details about Wespath's petitions.

Compass: New Retirement Plan for U.S. Clergy

Replaces Clergy Retirement Security Program (CRSP)

Effective: January 1, 2026

PETITION 20946 – FA: COMPASS RETIREMENT PLAN

Promoting Benefits Sustainability, Equity and Affordability

Compass is designed for a changing UMC environment that includes decreasing membership in U.S. churches (since the 1980s) and increasing financial pressure on annual conferences and local churches. The Compass plan design addresses emerging needs and financial realities, while upholding longstanding Church values to provide an income stream throughout retirement for those who have served faithfully, and to promote equity for clergy at different pay levels.

Compass increases **long-term benefits sustainability**. It helps assure reliable retirement benefits will be available for future generations of clergy and beneficiaries long into the future.

Compass balances **affordability with adequacy**. It strives to provide sufficient retirement income for clergy, at a predictable cost that is affordable to annual conferences and local churches.

Compass provides more **flexibility** than prior plans for clergy to leave an account balance to heirs or other beneficiaries after the clergy's death.

Compass promotes **equity** with features that help lower-paid clergy build retirement savings. These features include:

- A *flat-dollar contribution* from the UMC that is the same for everyone,
- A *match on qualified student loan payments*, and
- An *increase to parsonage values** when calculating compensation.

* CRSP uses 25% deemed value of parsonage. Compass increases to **35%** deemed value of parsonage.



Sustainability



Affordability



Adequacy



Flexibility



Equity



Employer match on qualified student loan payments up to 4%



Increases parsonage value when calculating plan compensation

Compass Plan Details

HOW IT WORKS:

Compass is an account-based defined contribution (DC) retirement plan.

Account balances accumulate from three sources:



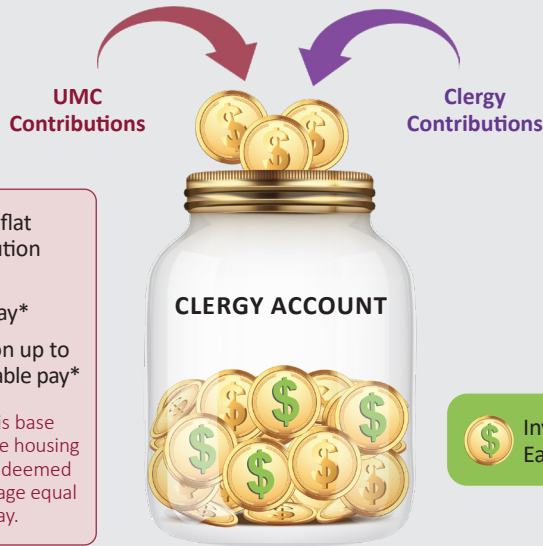
FEATURES HELP CLERGY BE PREPARED FOR RETIREMENT

During Active Work Years—Saving Phase

- *Automatic enrollment and automatic contribution increases* help ensure clergy receive full matching contributions from the UMC to help build retirement savings.

After Retirement—Spending Phase

- *LifeStage Retirement Income* calculates payout amounts based on age and other factors, to help savings last throughout one's lifetime.
- *Optional: Social Security Bridge* and deferred annuity starting at age 80 (*Longevity Income Protection*) further optimize the retirement income.



- \$150 monthly flat dollar contribution
- 3% of clergy's pensionable pay*
- \$1/\$1 match on up to 4% of pensionable pay*

* Pensionable pay is base pay plus either the housing allowance or the deemed value of a parsonage equal to 35% of base pay.

Important Details:

- Eligibility doesn't change. Eligibility for Compass is the same as CRSP eligibility.
- Clergy won't lose benefits they've earned through CRSP or prior plans.
- Compass doesn't affect retired clergy.

Learn More About Compass

- [Handout](#)
- [More Info](#)

Other Benefit Plan Changes

PETITION 20948 – FA: CLERGY RETIREMENT SECURITY PROGRAM (CRSP) AMENDMENTS



Effective December 31, 2025

Closes CRSP (current retirement plan for U.S. clergy)—**to be replaced by new Compass plan.**

- Freezes participation and future benefit accruals.



Effective May 10, 2024

For Ministerial Pension Plan (MPP) benefits (i.e., for clergy service prior to 2007)—permits clergy to receive payments via LifeStage Retirement Income (new option) or annuitize 65% of MPP balance (default approach/pre-General Conference rule).

- Adds **flexibility** for clergy to either annuitize their 65% account balance or move the 65% into LifeStage Retirement Income program
- Adds ability to **leave remaining balance after death to heirs or beneficiaries**

PETITION 20947 – FA: MANDATORY PLANS AND NEW CLERGY DEFINED CONTRIBUTION RETIREMENT PLAN



Gives Wespath's Board of Directors **limited authority** to amend the mandatory benefit plans between General Conferences, provided the changes do not reduce benefits, add to UMC's costs or create new expenses on participant accounts.

Important Details:

- Limited amendment authority applies to mandatory plans: CRSP (including legacy MPP and Pre-82 Plan); Retirement Plan for General Agencies (RPGA); Global Episcopal Pension Plan; Comprehensive Protection Plan (CPP); and Compass.
- The General Conference (or a U.S. regional governance body) retains amendment authority over more substantive changes such as participant eligibility and formulas for calculating benefit amounts.



Other Benefit Plan Changes (continued)

PETITION 20949 – FA: RETIREMENT PLAN FOR GENERAL AGENCIES (RPGA)



Effective December 31, 2024

Closes RPGA—transfers participant accounts to United Methodist Personal Investment Plan (UMPIP).

- Many general agency employees already have a UMPIP account. This change streamlines the participant's accounts into one plan.

Important details:

The approved petition does not change plan contribution rates that general agencies contribute for their employees.



PETITION 20951 – FA: COMPREHENSIVE PROTECTION PLAN (CPP) AMENDMENTS



- **Effective January 1, 2025: Streamlines death benefits** to flat dollar amounts (with 2% annual increases).
- Creates **new temporary disability benefit** while the clergy person's claim is being evaluated. Temporary benefit is paid by the plan, replacing temporary grants from the annual conference.
- (When using an approved Social Security Advocacy Vendor): **Defers reduction** for anticipated Social Security disability (SSD) benefits pending SSD determination.
- Restarts **Voluntary Transition Program (VTP)** through December 31, 2028, for clergy who desire to leave ministry completely. (Does not apply to clergy who disaffiliate and move to another denomination.)
 - *Note: VTP expired December 31, 2020, and its renewal was delayed due to postponement of General Conference 2020. The approved petition extends the program from June 2024 through 2028.*
- Permits CPP to support funding of UMC legacy pension plans in certain circumstances.

Other Approved Legislation: Wespith Services

PETITION 20950 – FA: WESPATH VOLUNTARY BENEFIT PLANS

PETITION 20952 – FA: GBPHB INSTITUTIONAL INVESTORS



- **Clarifies** Wespith's ability to administer benefit plans and programs for Methodist-affiliated churches and organizations.
- Includes churches and organizations with historical Methodist ties, Wesleyan beliefs and traditional, missional relationships, covenantal or conciliar relationships, or shared communion.
- Supports:
 - **Benefits continuity and flexibility** for clergy, lay employees and retirees across varied Methodist expressions.
 - **Ecumenical relationships** across Methodist traditions and organizations with aligned values.
 - **Cost savings** by spreading administrative expenses across a larger stakeholder base.
 - **Evangelism**—expands United Methodist investment values to additional investors.

Important Details:

- The United Methodist Church remains Wespith's owner and core focus.
- 2016 *Book of Discipline* already allowed Wespith to serve those "affiliated with the UMC"; the petition approved in 2024 adds clarification.

CCP Program: Global Pensions Across the UMC Connection

PETITION 20224 – FA: CENTRAL CONFERENCE PENSIONS (CCP)



Updates *Discipline* description of Wespeth's role related to the CCP program (pensions for clergy across the UMC's Central Conferences)

- Clarifies Wespeth's consultative role with individual Central Conferences on pension funding and local program administration.
- Describes Wespeth's role as trustee for CCP funds and directs Wespeth to distribute earnings to the respective pension plans.

CCP Stats (Data as of December 31, 2023)

Over **3,600** retirees and surviving spouses

Approximately **8,000** active pastors covered in the CCP program

\$16,260,688 distributed to pensioners since 2006

Wespeth Governance: Board of Directors

PETITION 20945 – FA: MEMBERSHIP (WESPATH BOARD OF DIRECTORS)



Reduces Wespeth's Board of Directors from 32 members to 25 members, which more closely aligns with Board reductions that nearly all other UMC general agencies have implemented since General Conference 2012.

- **Increases flexibility**—smaller Board is more nimble to adapt to changing needs in the future.
- **Improves cost savings**—smaller Board reduces expenses for travel, meetings and administration.

More Information!

 wespeth.org/GC2020

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