



October 25, 2023



Wespath

BENEFITS | INVESTMENTS

West Virginia Annual Conference

Frank O'Brien, Sr. Benefits Educator

Agenda

- Let's Talk About Your Retirement
- Retirement Process
- Wespath Retirement Plans
 - Clergy Retirement Security Program (CRSP)
 - Ministerial Pension Plan (MPP)
 - Pre-82
 - United Methodist Personal Investment Plan (UMPIP)



Agenda

- LifeStage Retirement Income
- Housing Allowance Exclusion
- Benefits Processing
- Participant Resources
- Benefits Access Demo





How do you feel
about retiring right now?

A blue speech bubble with a gradient from light blue to dark blue, containing the word "Apprehensive?" in white text. The bubble has a pointed bottom and a soft shadow on the white background.

Apprehensive?

A blue speech bubble with a gradient from light blue to dark blue, containing the word "Excited!" in white text. The bubble has rounded corners and a pointed bottom, casting a soft shadow on the white background.

Excited!

A large, blue speech bubble with rounded corners and a pointed bottom, centered on a white background. The bubble has a subtle gradient and a soft shadow beneath it. Inside the bubble, the word "Concerned?" is written in a white, sans-serif font.

Concerned?

A large, blue speech bubble with rounded corners and a pointed bottom, containing the word "Prepared?" in white text. The bubble has a subtle gradient and a soft shadow beneath it.

Prepared?

or unprepared?



or something else....?

Common thoughts on retiring...

Is now the right time? Should I wait?

Am I ready....? Is my spouse ready...?

Will I have enough money?

Where will I live?

What will I do with my time?



The Road to Retirement



What are you packing
for that road trip?



What will your
July 1st look like?

Provisions for Retirement—*Book of Discipline* ¶357

- **Normal Retirement:**
Age 65 or 40 years of service
- **Early Retirement:**
Age 62 or 30 years of service
- **Mandatory Retirement:**
Age 72
- **20-year Retirement**
Voluntary with 20 years of service





What do I need to do
if I am retiring next year?

Verify all your personal information
on Benefits Access

Verify your spouse's information is correct

Verify your Clergy Service Record is correct



Why is accuracy in your
Clergy Service Record
so important?



I'm glad you asked!

Review and update your
LifeStage Investment Management Profile

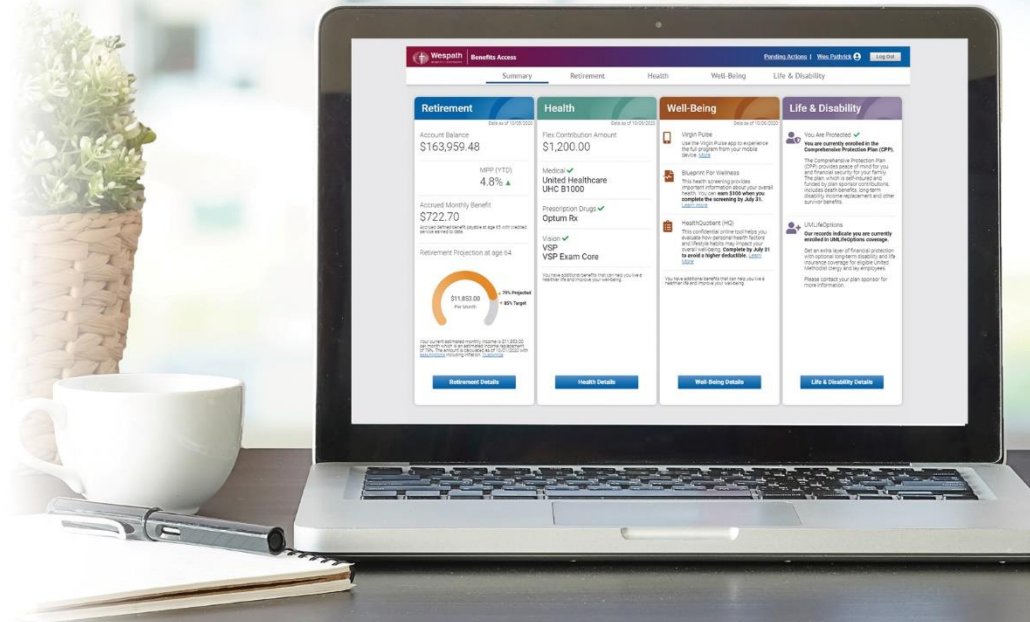
Project your Retirement Income



How do I do that?

Benefits Access

- Personal information
- Spouse's information
- Beneficiary designations
- Clergy Service Record
- LifeStage Profile
- Benefit Projections



2024 Retirement Process

- 2024 retirement benefits applications will be completed in **Benefits Access**
- Benefit Access is easy to use and features a simplified registration process
- Indicate your elections no later than **Friday, June 28th, 2024 at 3:00 p.m., Central time – but don't wait!**

Contact the Wespath Retirement Team for assistance

1-800-883-4078



Take a look at your
UMPIP next!

What is your balance?

How much are you contributing? How?

When was the last time you changed this?

What about the other plans?

Clergy Retirement Security Program

Ministerial Pension Plan

Pre-82 Plan

Understand all your sources or
retirement income – and your
spouse's!

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Register for Benefits Access at
benefitsaccess.org

Create your own
my Social Security account
at ssa.gov

A blue speech bubble with a gradient from light blue to dark blue, pointing downwards. It has a soft shadow on the white background.

Understand your life insurance
needs and benefits



Call EY!

Call the EY Financial Planner Line

- Common reasons to call the planner line
 - How much can I afford for housing in retirement?
 - What will my income look like?
 - Should I choose a higher or lower COLA?
 - How should I secure a down payment for housing?
 - Should I use the loan feature or take a distribution?



What about retiree
health benefits?

✓ Check in with your
Annual Conference.



THIS IS IMPORTANT.

RETIREMENT CHECKLIST



Notify your Board of Ordained Ministry
within 120 days



Notify your Bishop



Notify your Cabinet



Make a call to EY

Your Checklist for Retirement

WHAT YOU CAN DO RIGHT NOW: CHECK BENEFITS ACCESS



- ☐ Register for Benefits Access at benefitsaccess.org if you haven't already.
- ☐ Confirm your contact information. Check your email, mailing address, and phone number. Make any necessary updates. Make sure that you are using a personal email address for this purpose.
- ☐ Confirm your account information. Verify your personal information and your spouse's information (if applicable). Contact Wespath immediately if you need to make a change to your spousal information so your benefit options are correct.
- ☐ Verify and/or update your beneficiary designations—both primary and secondary.
- ☐ Confirm your Clergy Service Record. Available under "Retirement" / "Profile" / "Service and Compensation" summary. If this information is not correct, please contact your Annual Conference immediately. If this information is incorrect, it will delay the calculation of your benefits.
- ☐ Review your retirement account balances and defined benefit plans—if applicable—and your benefit election options.

WHAT YOU CAN DO RIGHT NOW: GATHER PERSONAL INFORMATION



- ☐ Create your *mySocial Security* account at ssa.gov. Pay special attention to your Social Security benefit at your Full Retirement Age. Also verify your earnings history is accurate. This is essential information to have ready when speaking to a financial advisor. If you set up LifeStage Retirement Income, you'll need this information for accurate benefit calculations.
- ☐ Explore your medical insurance needs and determine when you are required to sign up for Medicare. Also determine whether you will need supplemental health insurance.
- ☐ Understand your life insurance benefits and make sure your beneficiaries are up to date.

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Your Checklist for Retirement

60–90 DAYS BEFORE APPLYING FOR BENEFITS



- ☐ Review your LifeStage Investment Management profile. This can be found in Benefits Access under "Accounts" and "LifeStage Investment Options."
- ☐ Review your full financial picture (including spouse's income, spouse's retirement benefits, other retirement accounts, personal IRAs, savings and investments, etc.) as well as planned expenses (including moving and/or purchasing a new home).

30–60 DAYS BEFORE APPLYING FOR BENEFITS



- ☐ Make an appointment with EV or your personal financial advisor with all of your information in hand. For additional income options, you may want to wait until Spring 2022 when the new LifeStage Retirement Income features are available. However, if you have defined benefit plans, like Pre-82, Ministerial Pension Plan (MPP) and/or Clergy Retirement Security Program (CRSP)-DB it may be helpful to begin meeting sooner.

30 DAYS BEFORE APPLYING FOR BENEFITS



- ☐ Review your LifeStage Retirement Income options. The enclosed brochure describes the program features and enhancements. Once these enhancements are available, you'll be able to use the modelling tool to tailor your retirement income to suit your personal situation. *We will let you know via email and U.S. mail as soon as the new LifeStage Retirement Income enhancements and features are available.*

WHEN APPLYING FOR BENEFITS



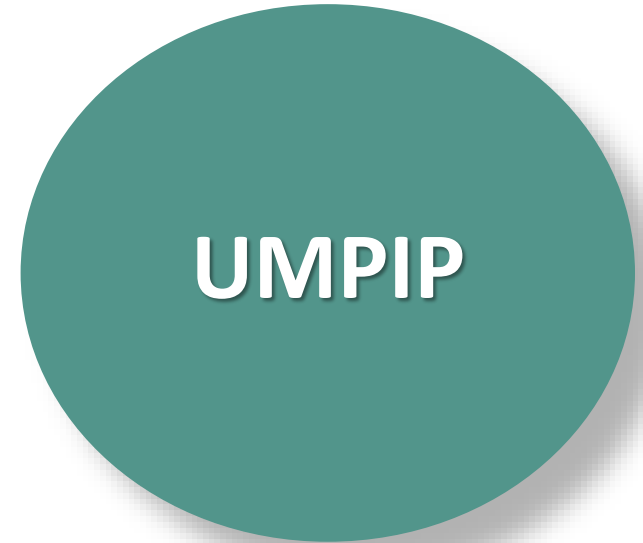
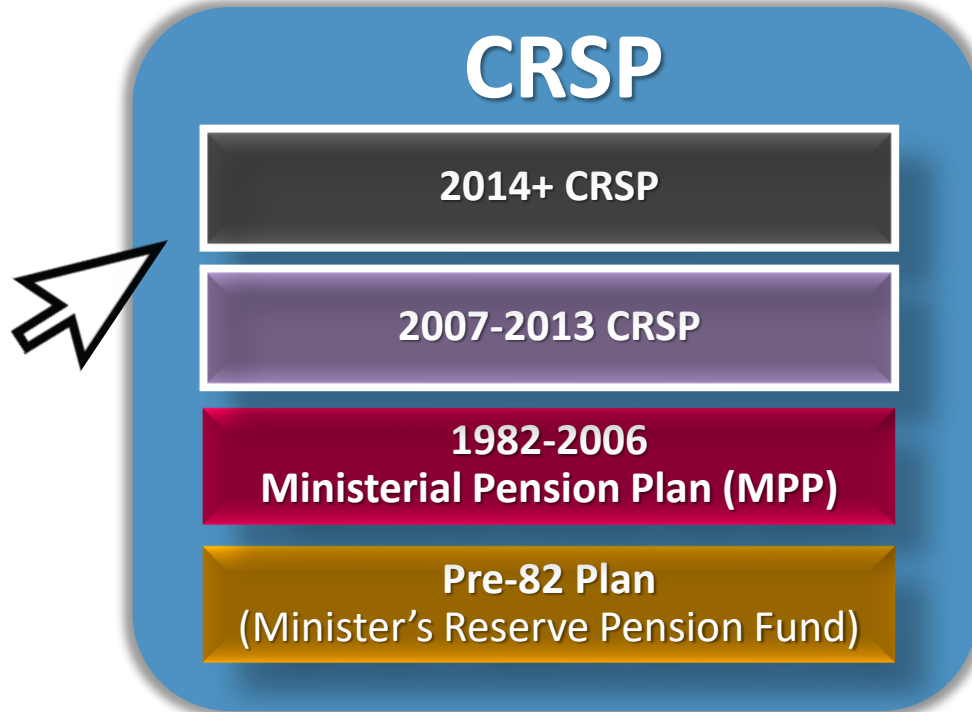
- ☐ Make sure your information is on hand, such as Social Security information (if applicable), bank account information, tax information, etc.
- ☐ Make the benefit elections for the retirement plan(s) you want to start. Benefits Access leads you through the process for each plan.
- ☐ Model your LifeStage Retirement Income options and choose the retirement income scenario that meets your needs.

Now we can talk about...

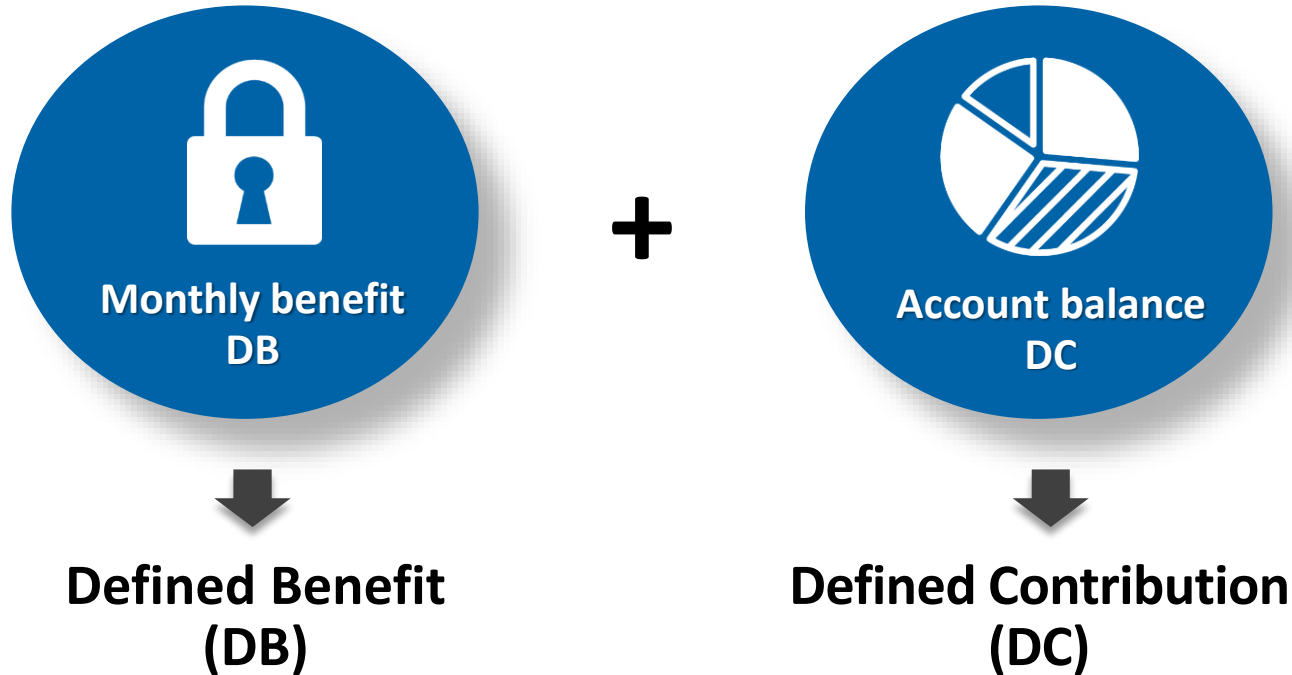
INCOME!

And where it will come from...

Wespath Retirement Plans



Clergy Retirement Security Program (CRSP)



Let's look at the **Defined Benefit** component

That's more involved...

And those decisions are not revocable...

× ÷ × ÷ × ÷ × ÷ × ÷ × ÷ × ÷ × ÷ ×

The DB is not a balance

It's a **FORMULA!**

We first multiply three factors together

× ÷ × ÷ × ÷ × ÷ × ÷ × ÷ × ÷ × ÷ ×

Denominational
Average
Compensation
or **DAC**

×

A factor of
either
1.25% or 1.00%

×

Credited Service
during that
period of time



What is the **DAC**?

Denominational Average Compensation (DAC)

Average Plan Compensation of clergy
serving Full-Time appointments

2022:
\$75,570

2023:
\$76,221

2024:
\$78,292

Now the **factor** used...

Jan. 1, 2007 – Dec. 31, 2013
the factor is **1.25%**

Jan. 1, 2014 – June 30, 2024
the factor is **1.00%**

Now the **Credited Service**

January 1, 2007 – December 31, 2013
7 years

Let's do the math...

CRSP DB: Service January 1, 2007– December 31, 2013

Monthly payment, payable for life, calculated by multiplying the following and then dividing by 12:

- DAC at time of retirement
- 1.25%
- Years of Credited Service from
January 1, 2007 until December 31, 2013 (7 years if Full-Time)

CRSP DB: Service January 1, 2007– December 31, 2013

Example for 2023 Retirement

$$\begin{array}{r} \$78,292 \text{ (2024 DAC)} \\ \times .0125 \\ \times 7 \text{ years} \\ \hline = \$6,850 \\ \div 12 \\ = \text{\textbf{\$571 per month}} \end{array}$$

Second period of service

January 1, 2014 – June 30, 2024
10.5 years

CRSP DB: Service January 1, 2014 – June 30, 2024

Monthly payment, payable for life, calculated by multiplying the following and then dividing by 12:

- DAC at time of retirement
- 1.00%
- Years of Credited Service from
January 1, 2014 until June 30, 2024 (10.5 years if Full-Time)

CRSP DB: Service January 1, 2014 – June 30, 2024

Example for 2024 Retirement

$$\begin{array}{r} \$78,292 \text{ (2024 DAC)} \\ \times .01 \\ \times 10.5 \text{ years} \\ \hline = \$8,220 \\ \div 12 \\ = \text{\textbf{\$685 month}} \end{array}$$

Now we just need to
add them together...

CRSP DB: Service 2007 to June 30, 2024

2024 Retirement

Total benefit:

\$571

+ \$685

= \$1,256 per month



What will impact
that amount?



The decisions that you
will have to make!

The surviving spouse benefit...

The Cost-of-Living adjustment (COLA)
that you choose... min. 2%

And Early Retirement...

CRSP DB: Age 63 Early Retirement

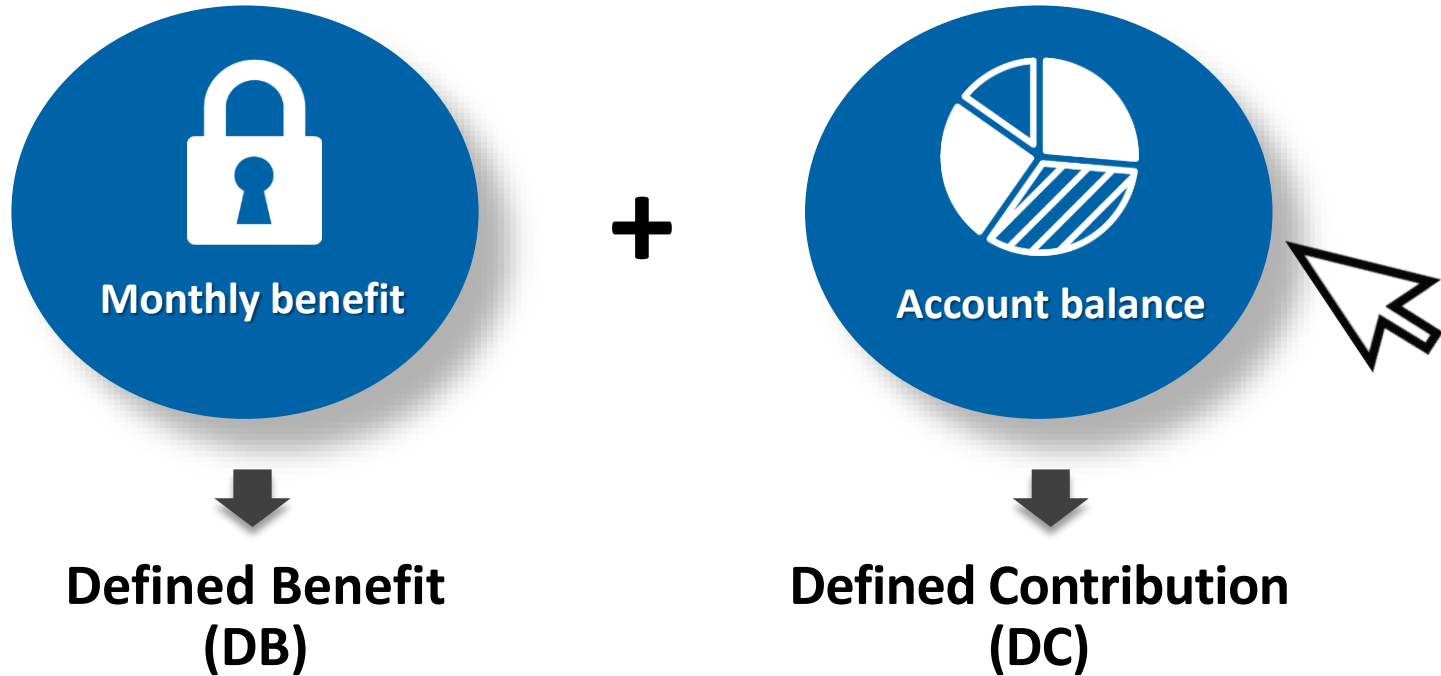
2024 Early Retirement
Total benefit: **\$1,256 per month**

$$\begin{array}{rcl} & \$1,256 & \text{Full amount for 2023} \\ - & \$151 & \text{12\% reduced; reduction of 6\% per year} \\ \hline = & \$1,105 & \text{Per month} \end{array}$$

In this example the clergyperson does not meet the 40-years-of-service rule.

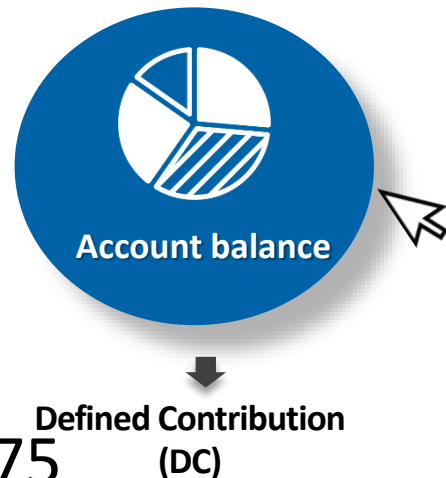
Now we can look at the
DC component of CRSP

Clergy Retirement Security Program (CRSP)

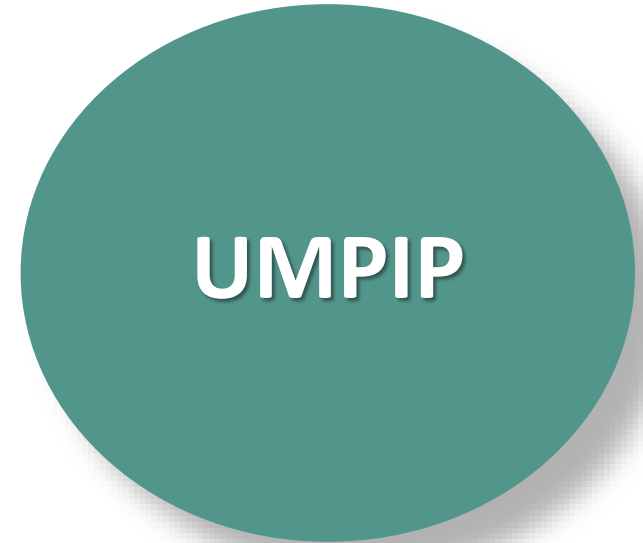
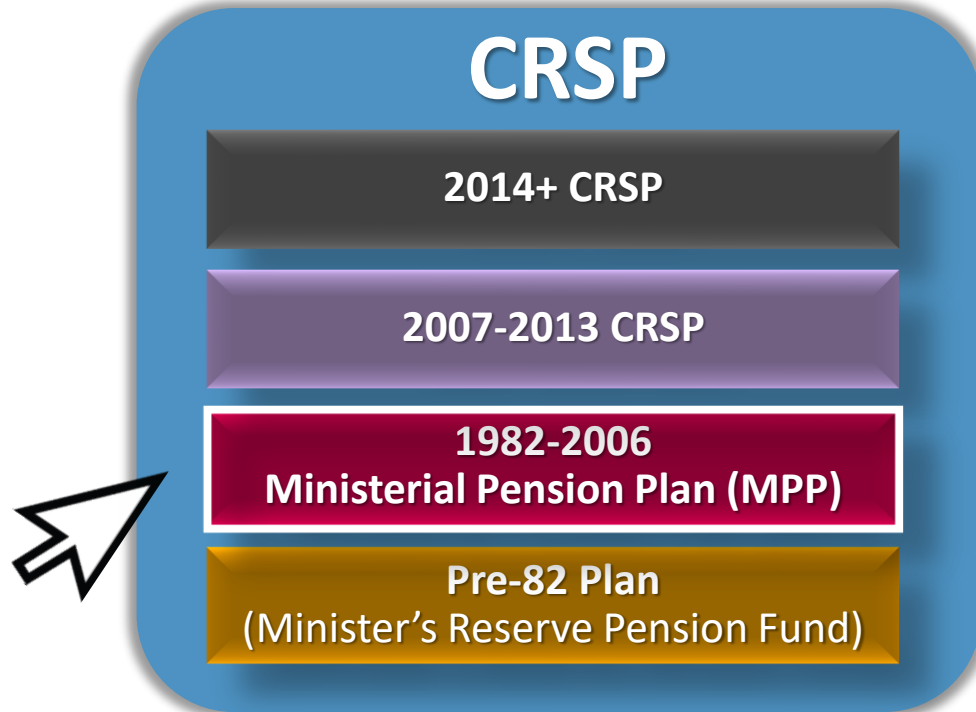


CRSP Defined Contribution (DC)

- Participant directs investments
- LifeStage Investment Management
- Available as cash distributions
- Rollover to UMPIP or other retirement plan
- Required Minimum Distribution by age 73/75
- Remaining balance paid to beneficiaries upon participant's death



Wespath Retirement Plans



What is MPP right now?

An **ACCOUNT BALANCE!**

How is it invested?

**LifeStage Investment
Management**

What does it become
later at retirement?

I'm glad you asked!

65% Becomes a Lifetime Annuity....



Lifetime Annuity



What Is an Annuity?

A series of payments

Life annuity—benefit payments that last through the participant's lifetime (or two lives, if joint annuity elected)





What about the rest?

...35% Remains an Account Balance!



Account balance



All Together Now...



+



Life Annuity

- Six-lifetime annuities
- Cost-of-living adjustment (COLA) increase

Account Balance

- As a cash distribution
- Other options

Let's review...

Ministerial Pension Plan: 1982–2006

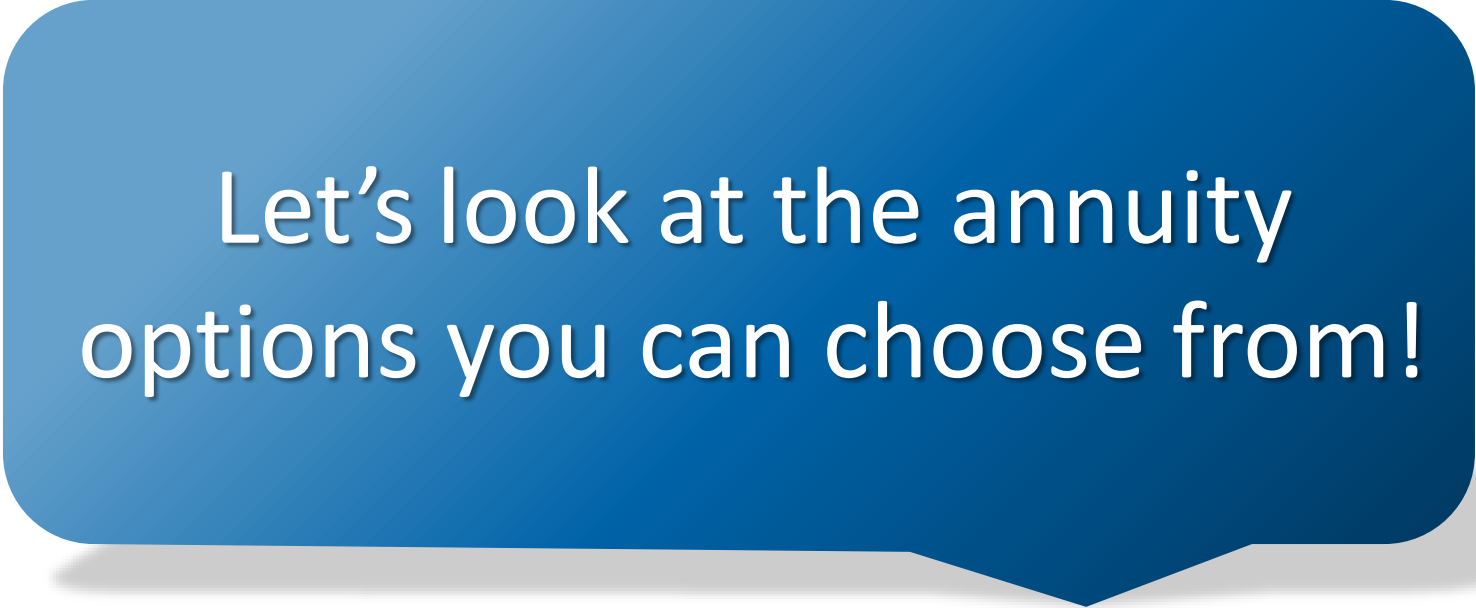
- MPP is an account balance
- Invested using LifeStage Investment Management
- It appears on your quarterly statements
- 65% of MPP provides a lifetime monthly benefit
- 6 annuity options for you to choose from
- COLA: Choose 0, 2%, 3%, 4%, or 5%



Ministerial Pension Plan: 1982–2006

- 35% remains an account balance
- Flexible distribution options





Let's look at the annuity
options you can choose from!

All of the annuity types provide you
a lifetime of income...

...and if elected can continue to your
surviving spouse.

Life Annuity Factors

- Participant's age
- Contingent annuitant's age (typically surviving spouse)
- 65% of account balance
- Type of annuity selected
- Percent of annual increase selected (i.e., 0%*, 2%, 3%, 4% or 5%)
- Mortality table (*life expectancy*)
- Wespath annuity payout rate (**wespath.org/retirement/mpp**)

* CRSP-DB does not offer a 0% COLA



MPP Distribution Options: Life and Survivor Annuities

Example:

Annuity Type	Payable to You	Payable to Contingent Annuitant
Life and 100%	\$1,155	\$1,155
Life and 85%	\$1,183	\$1,006
Life and 70%	\$1,213	\$849

* Since we are assuming a 2% COLA, these payouts will grow by 2% each year in retirement.

And three Single Life Annuity Options!

MPP Distribution Options: Life Annuities

Example:

Annuity Type	Payable to You
Life only	\$1,373
Life with 5-year certain	\$1,364
Life with 10-year certain	\$1,339

* Since we are assuming a 2% COLA, these payouts will grow by 2% each year in retirement.



What about the COLA?

The COLA is an annual increase
in your annuity payment



How big is the COLA?

0%

MPP Only

2%

3%

4%

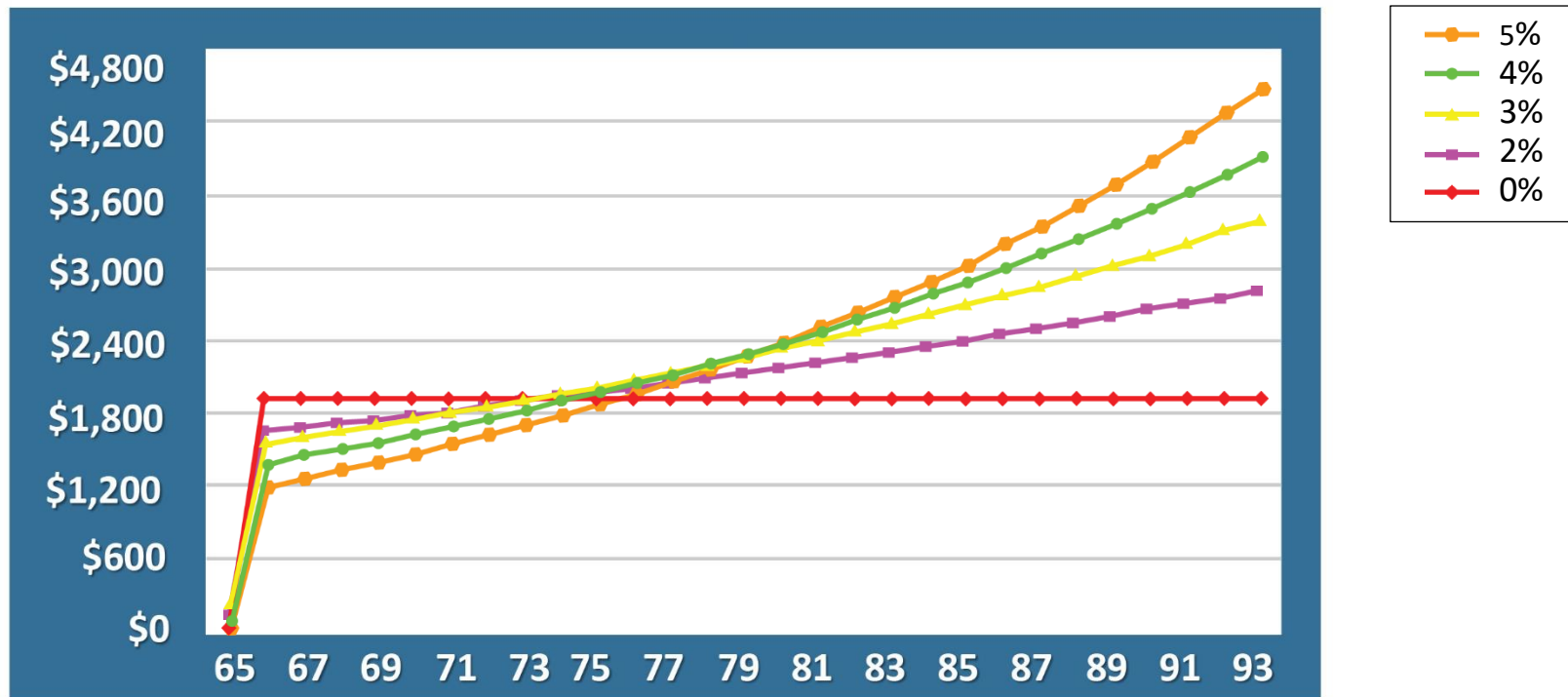
or

5%

Does the COLA impact
my initial benefit amount?

YES! Here's how...

MPP and CRSP DB Annuity: COLA Options



Summary of MPP Considerations

- Can leave on account until age 73/75
- Annuity and COLA options to choose
- Take the 35% of account balance and wait on the 65%
- Roll over the 35% to your UMPIP
- Roll over to another retirement plan
- Other distribution options



Wespath Retirement Plans

CRSP

2014+ CRSP

2007-2013 CRSP

1982-2006
Ministerial Pension Plan (MPP)

Pre-82 Plan
(Minister's Reserve Pension Fund)



UMPIP

Pre-82 Plan



Pre-82 Benefit

- Lifetime monthly benefit payment
- Benefit is the greater of two calculations:
 - Pre-82 years of service X Annual Conference Past Service Rate
 - DBSM account balance converted to a life annuity



Pre-82 Benefit

Example:

- 2.5 years x \$651 = \$1,627.50 annual benefit
- \$ 1,627.50 / 12 = **\$135.63** monthly benefit

Past Service Rate

-
- \$75,000 converts to \$2,225 annual benefit
 - \$2,225/ 12 = **\$185.40** monthly benefit

DBSM

Pre-82: Benefit Paid for Life

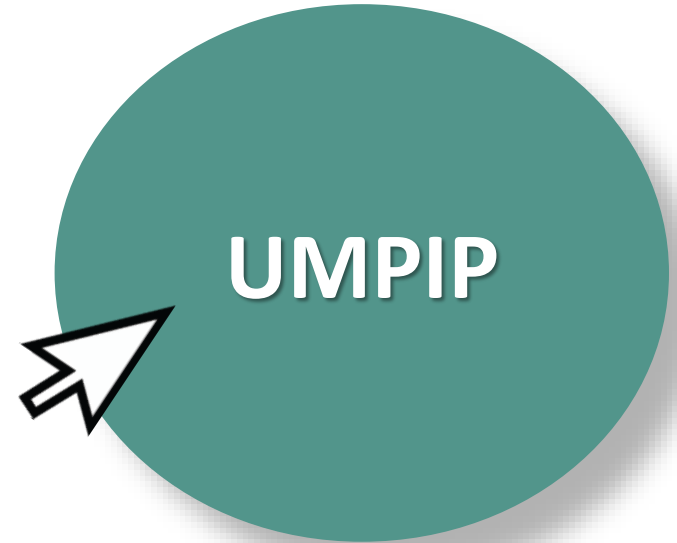
Single Participant

- Single life, no refund
- Benefit ceases upon participant's death

Married Participant

- Life & percentage 70% to surviving spouse— set by each Annual Conference
 - Spouse during episcopal appointment, at time of retirement and when beginning benefits

Wespath Retirement Plans



What Is UMPIP?

- Defined Contribution (DC) plan that accepts contributions from:
 - Plan sponsors/employers
 - Participants via payroll deduction
- You direct investments
 - LifeStage Investment Management *or*
 - Self-manage your investments



UMPIP Participant Contributions



UMPIP—Before-Tax

Avoid Tax **NOW**—Before-Tax Contributions

- Contributions and earnings tax deferred
- No federal or state income tax until you receive distributions in retirement

Roth Contributions and Earnings

Tax-free if:

- First Roth contribution was made at least 5 years* prior to withdrawal
- Participant is 59½ or older, permanently disabled or deceased

* Unless a rolled over Roth 403b or 401k is a part of your UMPIP. Also, any Roth balances may be taken last (securing the 5-year qualification) to avoid tax consequences.



2023 Contribution Limits

Before-tax and Roth combined

- \$22,500
- \$7,500 catch-up 50+
- \$30,000 total 50+

Form **1040** Department of the Treasury—Internal Revenue Service (99) **2023** U.S. Individual Income Tax Return

VB No. 1545-0074 IRS Use Only—Do not write or stamp

Filing Status ☐ Single ☐ Married filing jointly ☐ Married filing separately (MFS) ☐ Head of household (HOH) ☐ Qualifying widow(er) with dependent child

Check only one box. If you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name. If you checked the HOH or QW box, enter the child's name. If you checked the HOH or QW box, enter the child's name.

Your first name and middle initial Last name Your social security number

If joint return, spouse's first name and middle initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Presidential Election Campaign Fund Check here if you are filing to go to this fund box below will your tax or refund be reduced? ☐ Yes ☐ No

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code

Foreign country name Foreign province/state/county Foreign postal code

At any time during 2023, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? ☐ Yes ☐ No

Standard Deduction **2023** ☐ You can claim: ☐ You as a dependent ☐ Your spouse as a dependent ☐ Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: ☐ Were born before January 2, 1956 ☐ Are blind **Spouse:** ☐ Was born before January 2, 1956 ☐ Is blind

Dependents (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) <input checked="" type="checkbox"/> if qualifies for (see instructions) Child tax credit	Credit for other dependents
				<input type="checkbox"/>	
				<input type="checkbox"/>	
				<input type="checkbox"/>	
				<input type="checkbox"/>	

Attach Sch. B if required.

1	Wages, salaries, tips, etc. Attach Form(s) W-2	1	
2a	Tax-exempt interest	2a	
3a	Qualified dividends	3a	
4a	IRA distributions	4a	
5a	Capital gains and losses	5a	
6a	Taxable interest	6a	
7a	Ordinary dividends	7a	
8a	Taxable amount	8a	

Rollovers Into UMPIP

- Moving money from previous employer plan to UMPIP
- Accepted from IRS-qualified plans or traditional IRAs
- Complete an *Incoming Rollover* form and send to Wespath Benefits Plans Department



Distribution Options for Retired Participants

- Distribution choices
 - Full lump sum
 - Partial lump sum
 - Cash installments
 - Self-Managed Retirement Income
 - LifeStage Retirement Income
- At death remaining balance to beneficiaries



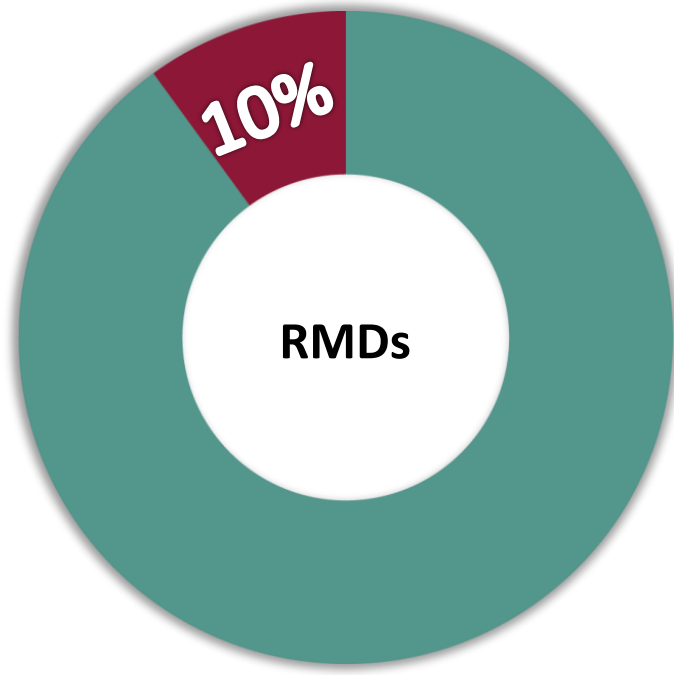
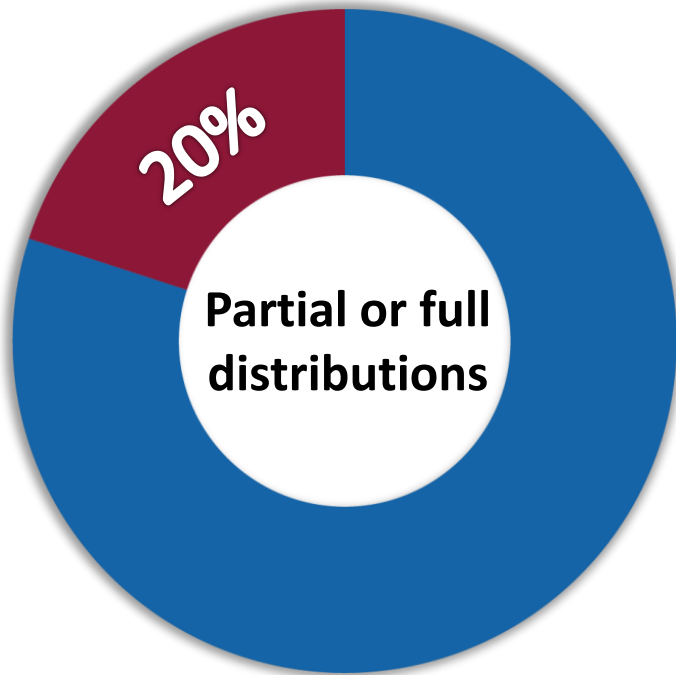
Required Minimum Distributions

- Leave on account until Required Minimum Distributions
 - age 73 (DOB between January 1, 1951, and December 31, 1958)
 - age 75 (DOB on or after January 1, 1959)
- Beginning by no later than April 1st of the following year after the participant turns age 73 or 75

Required Minimum Distributions

- Applies to defined contribution accounts (UMPIP, CRSP and MPP 35%)
- Subsequent RMDs each calendar year using prior-year December 31 balances
- MPP, CRSP DB and Pre-82 benefits must also begin at this time

Federal Tax Withholding on Distributions





Investment Options

Benefits of Investing with Wespath

- Sustainable investing
- Uphold the values of the UMC
- Diversified Investment Options
- Competitive returns relative to benchmark
- Low expense ratios and no commissions
- LifeStage Investment Management



Investment Information at wespath.org

- Daily value
- Fund descriptions
- Comparative results
- Benchmarks
- Fees



Investment Categories and Funds

Capital Preservation Fund

- Stable Value Fund

Income Funds—Bonds

- Inflation Protection Fund
- Fixed Income Fund
- Extended Term Fixed Income Fund



Investment Categories and Funds

Balanced Funds—Stocks and Bonds

- Multiple Asset Fund (A fund of funds)
 - 35% U.S. Equity Fund
 - 30% International Equity Fund
 - 25% Fixed Income Fund
 - 10% Inflation Protection Fund

Equity Funds—Stocks

- U.S. Equity Fund
- International Equity Fund



Social Values Choice Suite of Funds



For participants with a heightened
**focus on companies' environmental
and social performance**

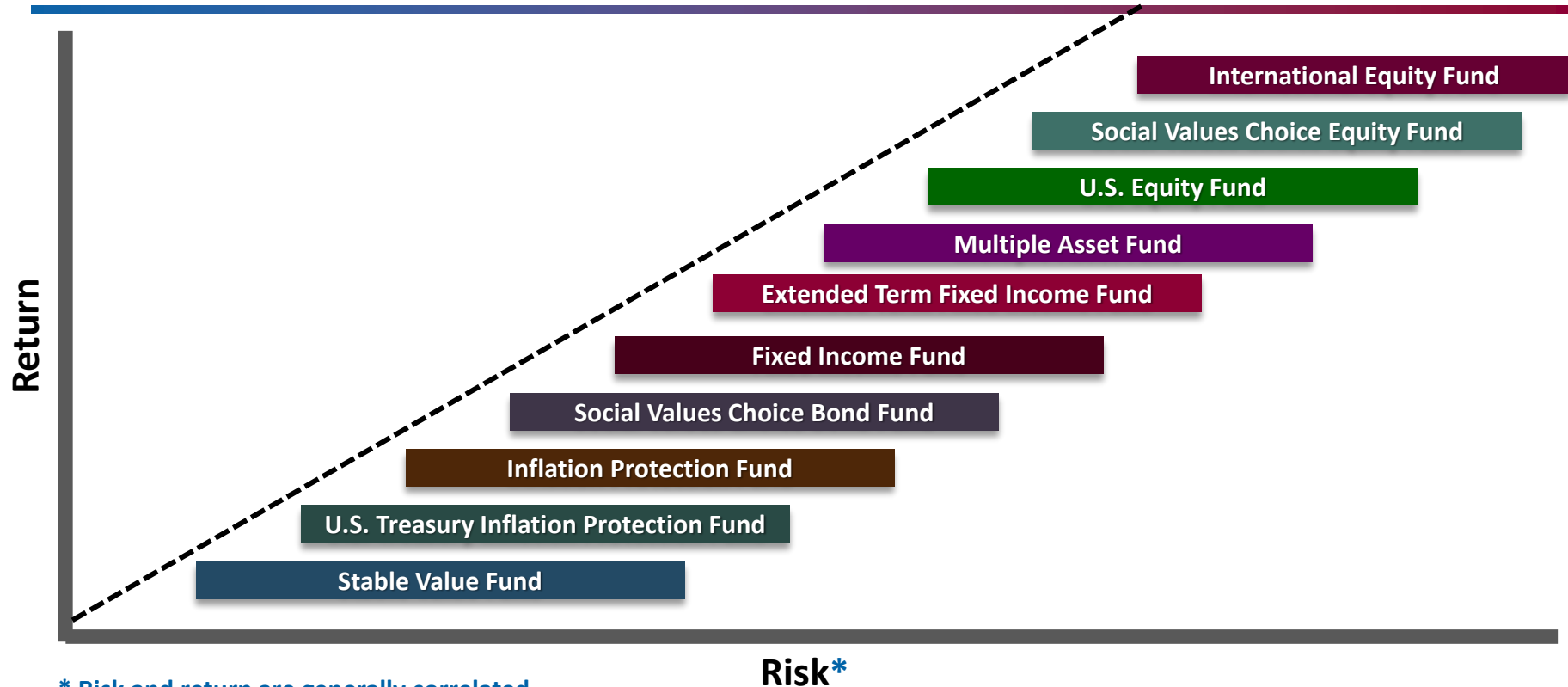
Fixed Income Funds—Bonds

- U.S. Treasury Inflation Protection Fund
- Social Values Choice Bond Fund

Equity Funds—Stocks

- Social Values Choice Equity Fund

Risk and Return



* Risk and return are generally correlated

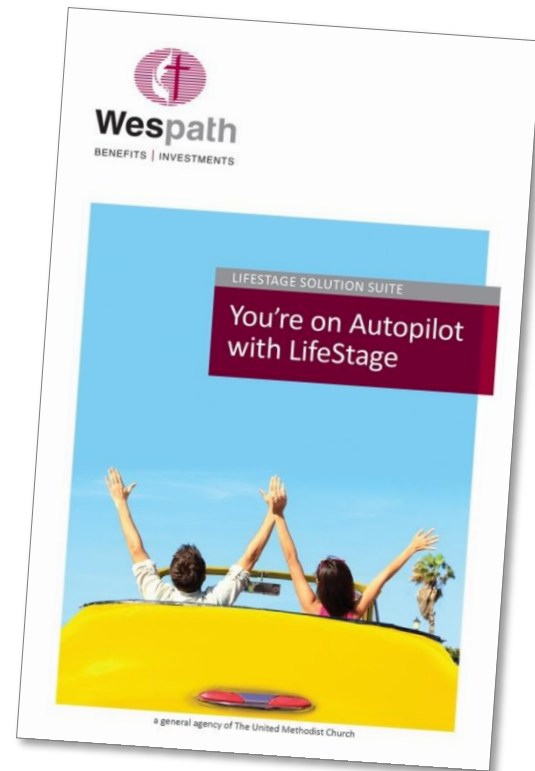
Risk*



LifeStage Retirement Income

LifeStage Investment Management

- Personalized investment management tool for Defined Contribution (DC) accounts
- Set your accounts on autopilot
- Fund allocations tailored to each participant
- Variables affecting fund allocations
 - Participant's age
 - Expected Benefits Commencement Date (MPP)
 - Risk tolerance
 - Social Security benefits
 - Wespath benefits



Features of LifeStage Retirement Income

- Optional program that manages monthly retirement income from DC plans
- Considers your account balance, your age, your survivor's age, and your risk tolerance
- Goal to provide monthly payments for participant's and survivor's lifetime

Features of LifeStage Retirement Income

- Uses LifeStage Investment Management
- Annual cost-of living adjustment
- Set aside all or a portion of your balance for larger or unexpected expenses



New LSRI Features Arrived in 2022

- New optional and customizable features:
 - Social Security Bridge
 - Longevity Income Protection
- Advanced online modeling in Benefits Access when eligible



Highlights

- DC accounts combined into UMPIP
- You decide how much to include in LifeStage Retirement Income
- You decide how to invest the rest
 - LifeStage Investment Management
or self-manage

Highlights (continued)

- Take distributions from these funds
- Add additional funds to LifeStage Retirement Income
- Transfer between LifeStage and UMPIP at any time
- No direct participant costs



Social Security Bridge

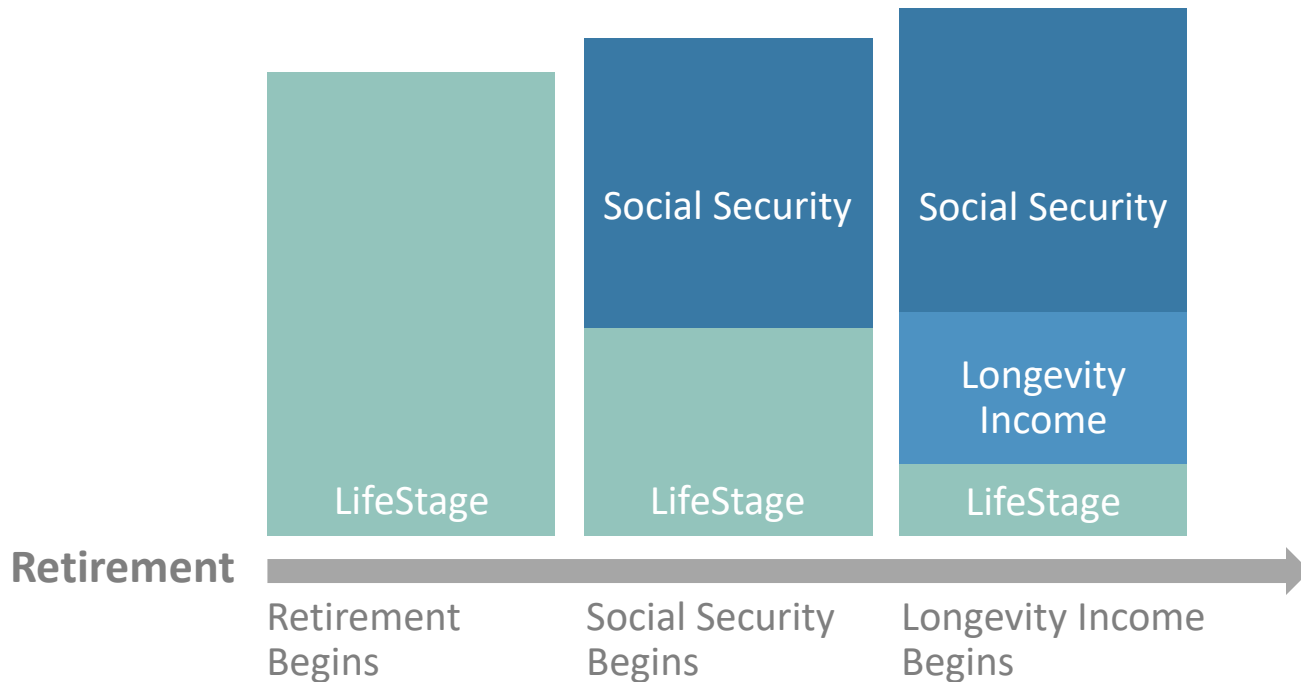
- Supplements income in early retirement years by allowing you to defer applying for Social Security
- Once you apply for Social Security, LifeStage Retirement Income payments decrease, “leveling” your income
- Investment allocation adjusted to reflect short-term period of bridge
- Set up account at ssa.gov

Longevity Income Protection

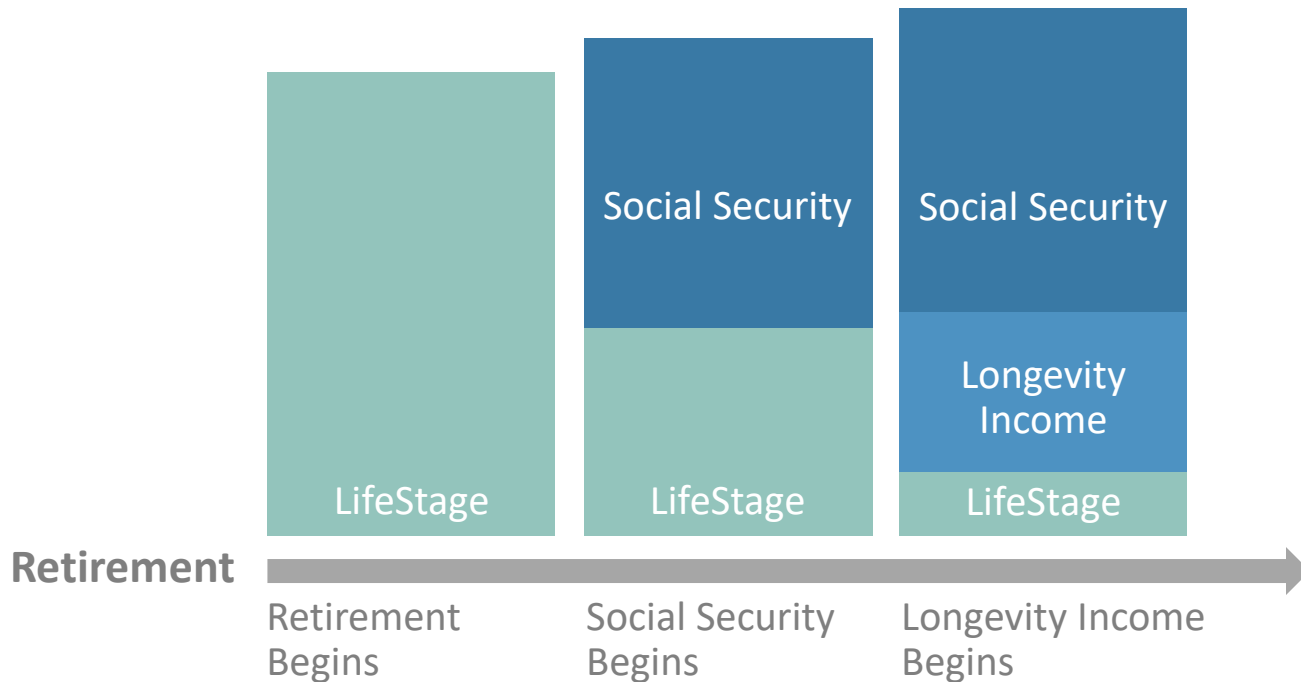
- Deferred annuity purchased through an outside insurer at retirement
- Provides:
 - Steady stream of payments over lifetime
 - Flexibility to spend in the early retirement years
 - Peace of mind
- Annuity based on group insurance rates
- Payments begin at age 80



How it Works



How it Works



Benefits of LifeStage Retirement Income

- Optimize your retirement income
- Minimize the effect of market fluctuations on monthly income
- Minimize the risk of outliving your funds



Is this right for me?

- Significant health issues?
- Family longevity?
- Opted out of Social Security?
- Past Social Security age?
- Significant other annuity income?

Consider rolling over outside eligible retirement money to boost balances



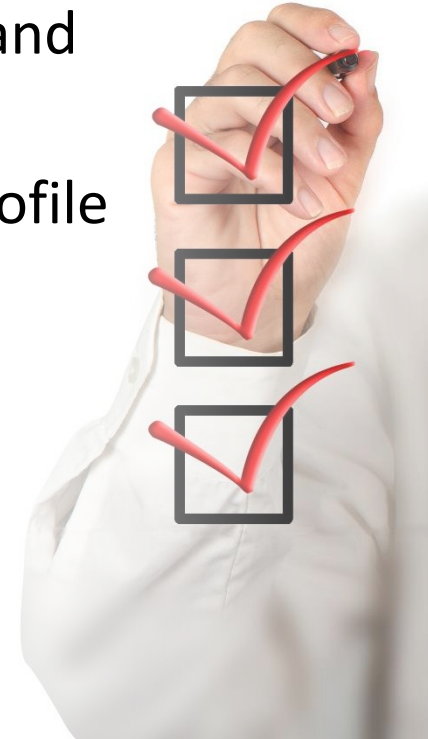
Advanced Online Modeling Tool

- When you are eligible to retire
- Demonstrates how funding LifeStage Retirement Income can influence your retirement income
- Experiment with different amounts
- Determine eligibility for optional features
- See the impact of choosing the bridge
- Discover the effect of including longevity income protection



Action Steps

- Create your *My Social Security* account at ssa.gov and obtain Social Security estimate
- Review your LifeStage Investment Management profile
- Understand all your sources of retirement income
- Schedule a consultation with EY for help with retirement planning
- Contact Retirement Services for rollover assistance



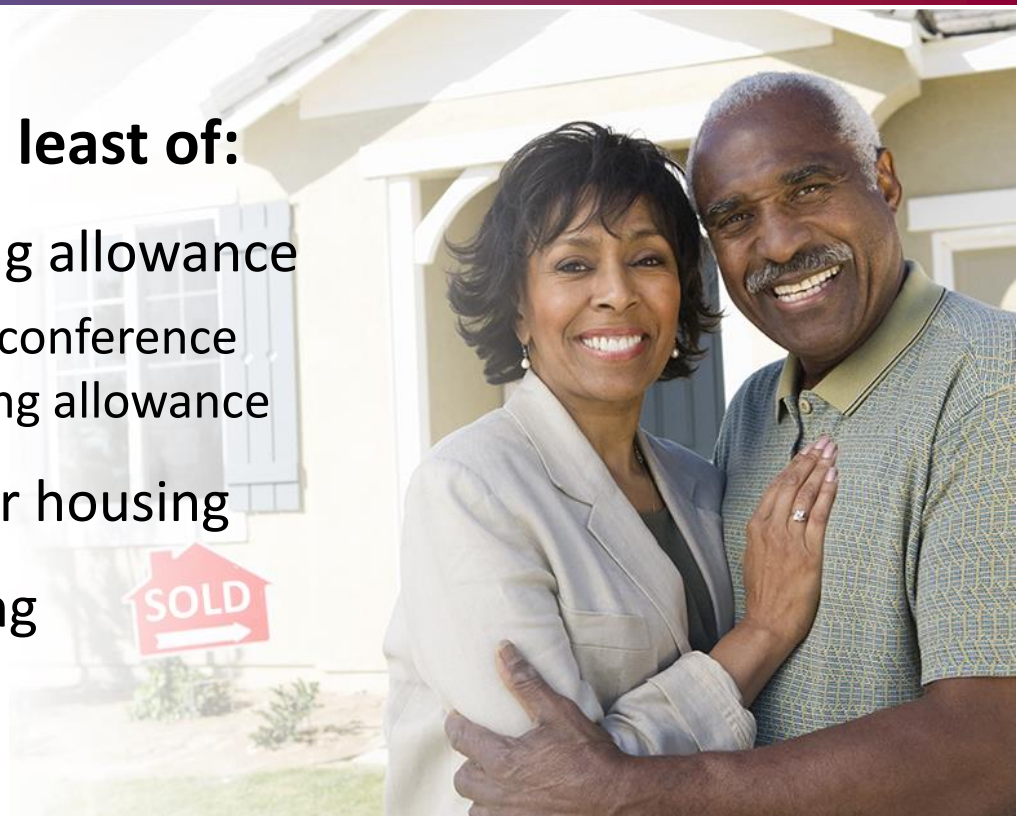


Housing Allowance Exclusion

Housing Allowance Exclusion in Retirement

Amount to be excluded is the least of:

- Amount designated as housing allowance
 - Generally, comes from annual conference resolution designating a housing allowance
- Amount actually expended for housing
- Fair rental value of the housing



Housing Allowance Exclusion Worksheet

This worksheet is designed to help a clergy person determine the amount that he or she may exclude from gross income pursuant to the provisions of Section 107 of the Internal Revenue Code (Code). Those provisions provide that "a minister of the gospel" may exclude a "housing allowance" from his or her gross income. Please note that for purposes of the housing allowance, "retired" is not limited to how that term is defined under the UMC's Book of Discipline. A clergy person who is considered "terminated" under the Book of Discipline, but is receiving retirement benefits, may be considered "retired" for purposes of the housing allowance depending on all relevant facts and circumstances (including, e.g., whether he or she is engaged in other employment. A clergy person should discuss this issue with his or her tax advisor.) This worksheet assumes that a parsonage is not provided to the clergy person by the salary-paying unit.

The amount that may be excluded by the clergy person is the least of:

- 1) the amount classified as the housing allowance by the salary-paying unit (in most cases for a retired clergy person, the salary-paying unit will be the annual conference from which he or she retires);
- 2) the amount actually expended by the clergy person for housing; or
- 3) the fair rental value of the residential property occupied by the clergy person.

For tax year: _____

1. Indicate the amount classified as the housing allowance by the salary-paying unit.

1

2. Indicate the amount actually expended by the clergy person on housing:

- a. rent payments or mortgage principal payments made
- b. mortgage interest payments made
- c. real property taxes
- d. maintenance expenses
- e. utilities
- f. furnishings
- g. other applicable expenses related to housing

2a
2b
2c
2d
2e
2f
2g

h. add lines a, b, c, d, e, f and g and indicate **total** here

2h

3. Indicate the fair rental value of the housing plus the cost of utilities:

- a. fair rental value of the housing (furnished)
- b. fair rental value of appurtenances, such as garage (if not in line a)
- c. cost of utilities
- d. add lines a, b and c, and indicate **total** here

3a
3b
3c

3d

4. Indicate the least of the amounts indicated on lines 1, 2h and 3d

4

Assuming there is sufficient documentation, the amount indicated on line 4 is the amount that may be excluded from gross income as a housing allowance pursuant to the provisions of Section 107 of the Code.

Housing Allowance Exclusion

Example: A clergyperson...

- Receives \$24,000 in pension (designated)
- Spends \$20,000 on housing
- Fair rental value of housing is \$21,000
- Housing allowance exclusion cannot exceed \$20,000
- **Amount taxable: \$4,000**

Housing Allowance Exclusion

- Available to retired clergy
- Not applicable to surviving spouse unless clergy couple
- Attach a note to IRS Form-1040
- Refer to section in conference journal



Active Death Benefits

Provision	CPP Death Benefit
Clergy	\$50,000
Spouse	20% of DAC at time of death
Surviving Spouse	15% of DAC at time of death
Child	10% of DAC at time of death

Retiree Death Benefit

Provision	Retired January 1, 2013 and Later
Eligibility	<ul style="list-style-type: none">• Eligible to receive a benefit from CRSP at time of retirement, <i>and</i>• Enrolled in CPP for 12 of the last 15 years, <i>or</i>• Active participant in CPP for 25 years

Retiree Death Benefit Amounts

Provision	Retired January 1, 2013 and Later
Retiree	Flat amount of \$20,808
Retiree Spouse	Flat amount of \$15,606
Retiree Surviving Spouse	Flat amount of \$10,404
Retiree Child	Flat amount of \$8,323

Long-Term Disability Plan Benefits

Definition: Unable to perform duties due to injury or illness for at least 6 continuous months

- Must submit application and be approved
- Periodic re-approval
- Retirement plan credit

Long-Term Disability Plan Benefits

Disability Amount

- 70% of pre-disability plan compensation (housing + cash salary)
- Social Security Disability Income offset (\$1 for \$1)



Retirement Benefits Projection

Not a “forecast,” but a changeable estimate based on:

- Account growth
- Inflation assumption for salary
- Assumed retirement commencement date
- DC account balance distributions are projected using LifeStage Retirement Income

Benefits Access

Created for: Clergy Three Standard
Printed by: Clergy Three Standard
09/07/2022 3:20 PM

Your Personalized Retirement Benefits Projection Statement For Benefits Commencement Date 07/01/2027

Projection

PROJECTIONS ESTIMATE FUTURE BENEFITS BASED ON UNDERLYING ASSUMPTIONS, WHICH MAY CHANGE FROM TIME TO TIME. ACTUAL BENEFITS MAY VARY.¹ WESPATH IS PROPOSING A NEW CLERGY RETIREMENT PLAN. IF THE PLAN IS APPROVED BY THE GENERAL CONFERENCE, CLERGY RETIREMENT BENEFITS FOR RETIREMENTS ON AND AFTER THE EFFECTIVE DATE OF THE NEW PLAN MAY DIFFER FROM THOSE PROJECTED BELOW.

Lifetime Income

Plan	Estimated Monthly Benefit
Clergy Retirement Security Program Defined Benefit (CRSP DB) for 2007 through 2013 service	\$624
Clergy Retirement Security Program Defined Benefit (CRSP DB) for post-2013 service	\$833
Ministerial Pension Plan (MPP) Annuity (65%)	\$1,613
Subtotal for Lifetime Income:	\$3,070

Account Balance(s)

Plan	Estimated Account Balance	Estimated Monthly Installments
Ministerial Pension Plan (MPP) (35%)	-	\$721
Clergy Retirement Security Program Defined Contribution (CRSP DC)	-	\$248
United Methodist Personal Investment Plan (UMPIP)	-	\$263
Subtotal for Account Balance(s):	-	\$1,232

Understanding the Value of the Estimated Amounts

	Estimated Account Balance	Estimated Monthly Income
Estimated Total at Retirement:	-	\$4,302
Equivalent Value in Today's Dollars:	-	\$3,825
Estimated Income Replacement Ratio:	-	76.05%

¹This Retirement Benefits Projection Statement (Statement) represents an estimate of your benefits assuming that you continue to work or remain under appointment and are covered under the plans until you begin receiving benefits. This estimate is based on the Participant Selected Input and System Determined Input. If actual experience varies from the assumptions (investment return, compensation increases, retirement age, mortality, etc.), the amount of the benefit will differ from the estimate. If the assumptions do not match the requirements of the plan, the plan's provisions will control your benefits eligibility and the amount of your benefit. If you are a terminated clergy/person who has returned to active service, your retirement benefits projection may be inaccurate. For a complete explanation of the calculations used by this Statement, please refer to the Assumptions and Methodology.

If you have any questions or concerns regarding your Statement, please call Wespeth at 800-851-2201, Monday through Friday, 8:00 a.m. to 6:00 p.m., Central time, or EY Financial Planning Services at 800-360-2539, Monday through Friday, 8:00 a.m. to 7:00 p.m., Central time.

EY Financial Planning Services



Program Advantages

- Confidential, professional financial counseling at no additional cost*
- Unlimited hours of financial planning advice via telephone
- Objective advice—no sales pitch
- No need to enroll
 - Call **1-800-360-2539**
 - Visit website: **wespath.eynavigate.com**
(create a username and password to register)

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

Consultation Topics

- Buying a home – securing down payment
- Electing LifeStage Retirement Income
- Choosing retirement plan investments
- Developing an estate plan
- Managing debt
- Funding children's/grandchildren's education
- And more



Wespath Virtual One-On-One Consultations

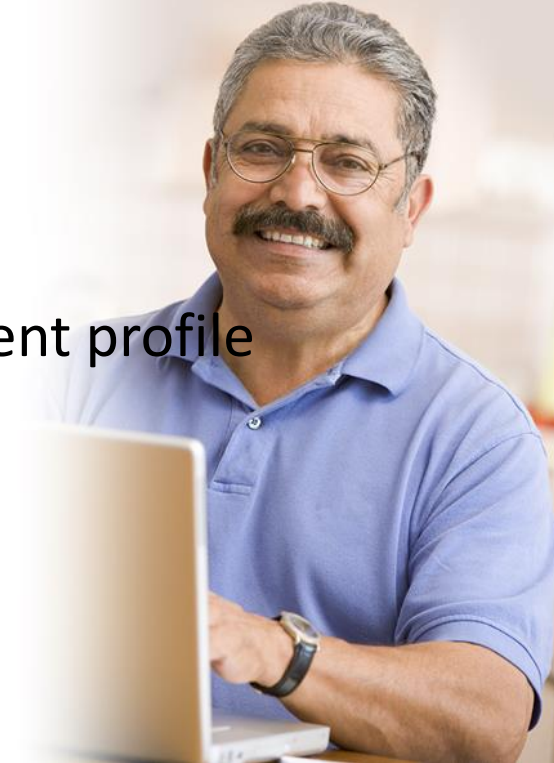
Meet one on one with a
Wespath Benefits Educator

2023 Consultation Link
wespath.org/r/consults



Action Planning

- Register for Benefits Access
 - Online—**benefitsaccess.org**
 - Review beneficiary designation
- Review your LifeStage Investment Management profile
- Project your retirement income
- Call EY and register on EY Navigate
- Benefit Education Consultations



Participant Resources



Wespath Participant Solutions

wespath.org

1-800-851-2201



Benefit Education Consultations

wespath.org/r/consults23

Benefits Access

benefitsaccess.org



EY Financial Planning Services

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1-800-360-2539



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