



Wespath

BENEFITS | INVESTMENTS



CONFERENCE FORUM

Participant Engagement

Agenda

- Participant Engagement Report
- Engagement Improvement Action Plan Status
- UMPIP Automatic Features Project Overview
- Questions

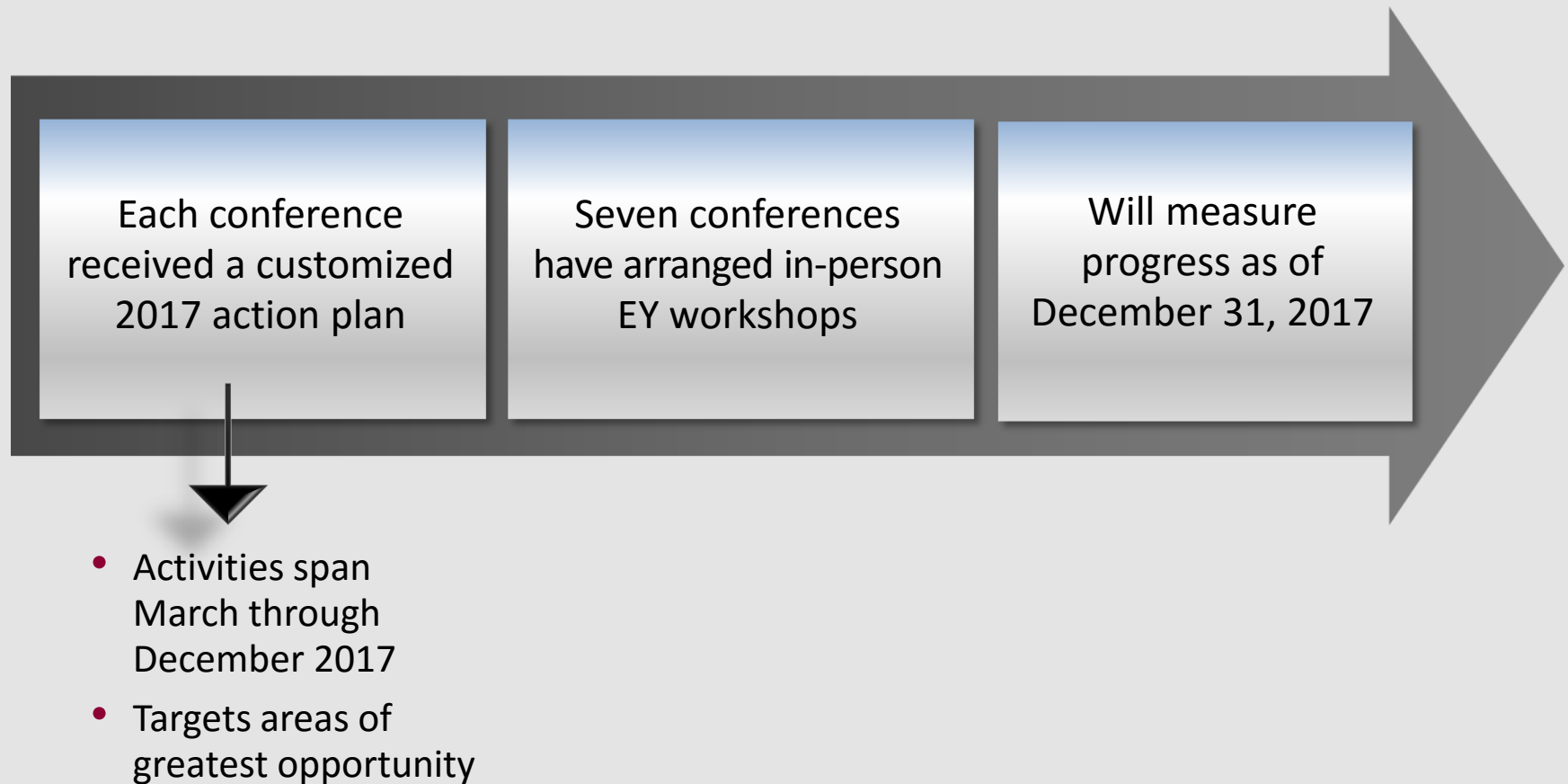
Participant Engagement Report

Metric	Rounded as of December 31, 2016
Percentage with projected retirement income gap	82% project a gap of 21% on average
Percentage contributing to UMPIP	78%
Average UMPIP contribution percentage	5%
Percentage making Roth contributions	1%
Percentage with unused match	12%
Average account balance in all plans	\$146,000
Percentage using LifeStage Investment Management	79%
Percentage registered for Benefits Access	40%
Percentage that called EY in 2016	8%
Percentage that called Wespath in 2016	20%

Our Shared Goal



Engagement Improvement Action Planning



UMPIP Automatic Features Project



Action Plan

1. Review this overview
2. Discuss automatic features with your colleagues and Conference Board of Pensions
3. Request a plan-specific impact consultation with Wespath through your conference liaison

Automatic Features Overview

The United Methodist Personal Investment Plan (UMPIP) is a defined contribution retirement plan administered by Wespath Benefits and Investments. In 2018, Wespath will begin making automatic features available to plan sponsors in a phased rollout.

Automatic enrollment and automatic contribution escalation allow plan sponsors to:

- Enroll participants in UMPIP at a specified (default) before-tax contribution percentage
- Automate annual increases to the UMPIP contribution percentage (usually 1% each year) up to a maximum percentage for participants who contribute

Automatic features will help increase the likelihood that your participants' retirement benefits will be sufficient to support their lifestyles.

Review this overview, discuss automatic features with your colleagues and Conference Board of Pensions then contact your conference liaison for a customized impact analysis to understand how implementing these features will affect your plan administration and costs.

It's Important to Save for Retirement, So Why Haven't Participants All Enrolled in the Plan?

Research suggests that participants do not enroll in plans, and/or contribute an insufficient amount to prepare for retirement mainly because of inertia, procrastination and cognitive shortsightedness, which is the inability to delay today's gratification for the uncertainty of tomorrow. And that's where automatic features can help!

Let's Look at the Numbers...

- **82%** of Wespath-administered plan participants have a gap between the amount of retirement income they expect to have and the amount they'll need*
- **21%** is the average retirement income gap for Wespath-administered plan participants
- **90% or higher** average participation is experienced in plans that offer automatic enrollment and automatic escalation
- **Less than 10%** of automatically enrolled participants choose to opt out

Retirement plans with automatic features have improved:

- Participation rates,
- Average contribution percentages,
- Average account balances and
- Overall participant engagement.

Automatic features don't prevent participant choice. Participants can always choose to change contribution levels and/or the investment options, or opt out. These features simply remove the barriers to participation.

*Gap analysis includes Wespath-administered plan balances and Social Security, but does not include assets held by other financial institutions.

Overview of Automatic Features

Automatic Enrollment

- Plan sponsors elect to automatically begin UMPIP participation at a stated default personal contribution percentage without an affirmative participant election
- Plan sponsors elect the covered participant group and the default personal contribution percentage
- Participants can opt out or change their personal contribution percentage at any time

Automatic Contribution Escalation

- Plan sponsors elect to automatically increase personal contributions annually by a stated percentage up to a maximum percentage without an affirmative participant election
- Plan sponsors elect the annual escalation percentage, the maximum cap and the timing of escalation
- Participants can opt out at any time
- Participants in non-electing plans may elect annual contribution escalation as a service on their own

Catalysts for Automatic Features

The Church Alliance successfully lobbied for the passage of the Church Plan Clarification Act

- Effective December 2015
- Permits automatic features in church plans



Automatic features are a delegator's friend and help to combat

- **Inertia**
- **Procrastination**
- **Decision-making biases**

Catalysts for Automatic Features

Over time, automatic features have been demonstrated to improve projected retirement readiness

- Participation rate
- Contribution percentage
- Account balance

82% of our participants have a projected retirement income gap of 21% on average

- Includes Wespeth-administered plan and Social Security benefits
- Does not include outside assets (yet)

Rollout Timeline



Phase 1

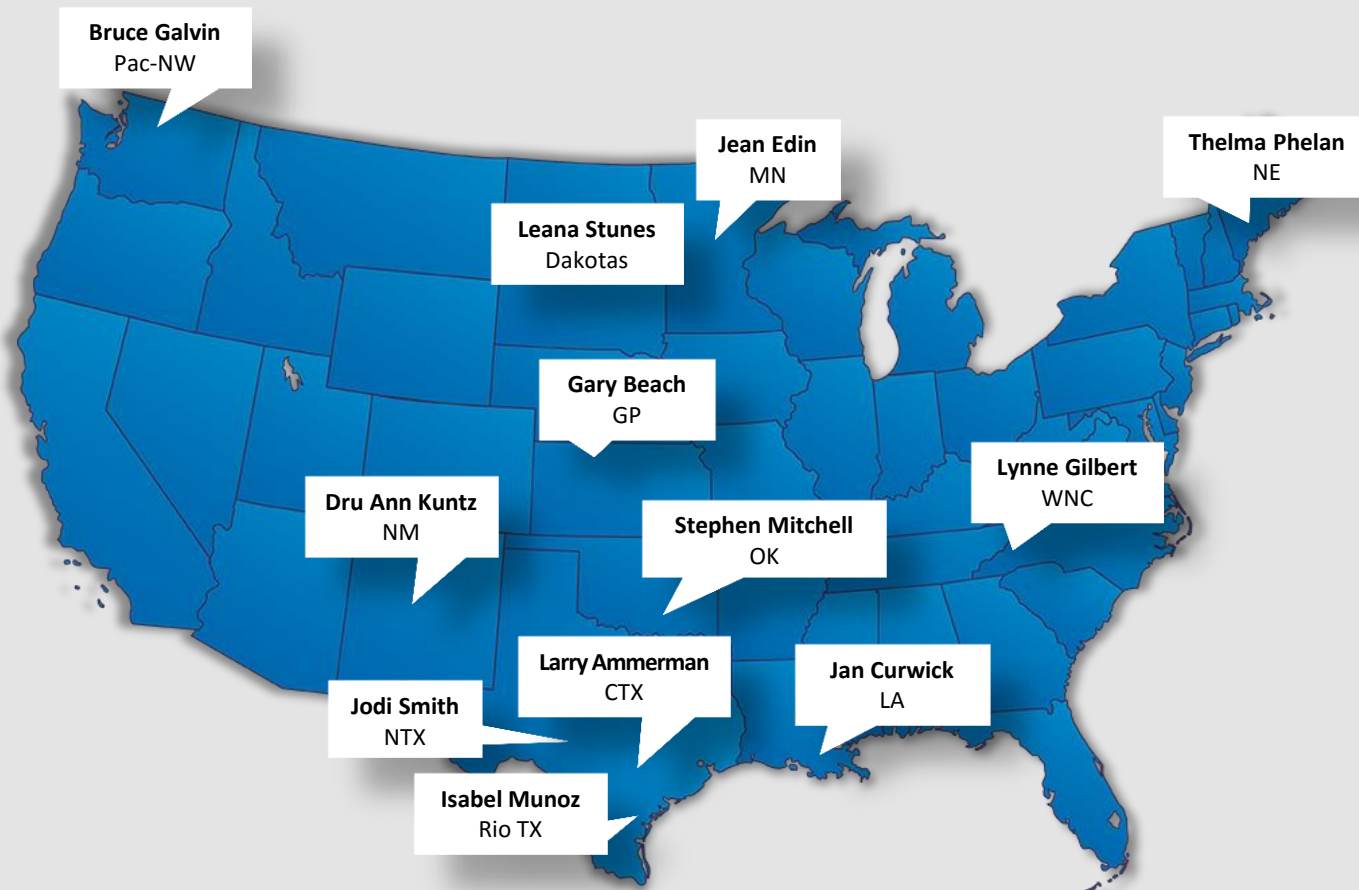
Rollout automatic features to pilot group of electing plan sponsors as of January 1, 2018



Phase 2

Rollout sponsor-elected automatic features and participant-elected automatic deferral escalation as of January 1, 2019

Advisory Focus Group



Automatic Features Next Steps



- Review the informational primer
- Discuss automatic features with your colleagues and conference boards of pension
- Request a plan-specific impact consultation with Wespath through your Conference Liaison



Questions?



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