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CONFERENCE FORUM

Retirement Plan Design Study

Agenda

- Current and Historical Design Review
- Recognizing Challenges
- Plan Design Study Timeline and Milestones
- Breakout Discussion

Central Premise

Pension programs, personal savings and investment plans are the foundation for retirement security.



Supplemental to Social Security



For minister and spouse



Provide equitable benefits

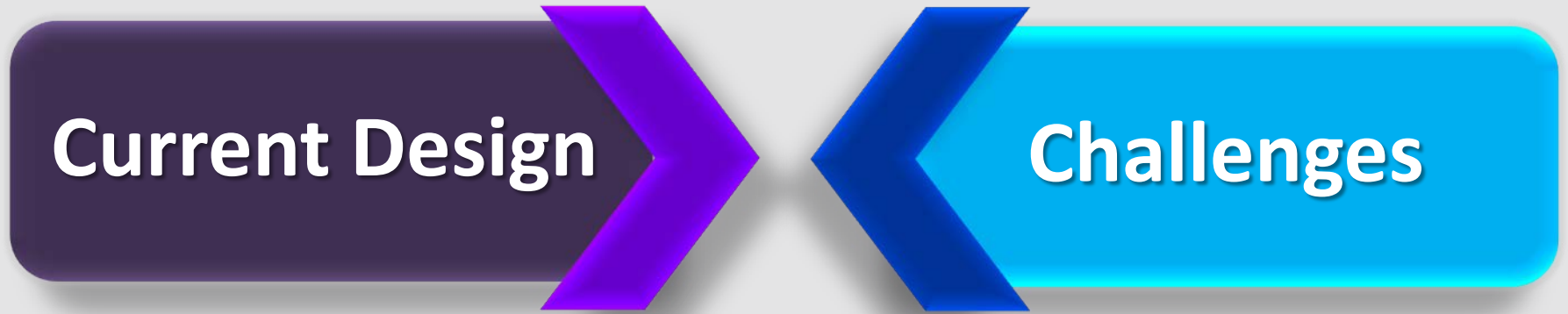
Historical and Current Plan Design Summary

Plan	Design Summary
Pre-82 Plan (Supplement One to CRSP)	Provides eligible clergy with a defined benefit for service prior to 1982. Benefit is the greater of: <ul style="list-style-type: none"> • Defined Benefit Service Money (DBSM) annuity, <i>or</i> • Years of service times pension rate
Ministerial Pension Plan (MPP) (Supplement Three to CRSP)	Provides eligible clergy with a defined contribution amount for service from 1982 to 2006. Account balance is 35% distributable/65% annuitized.
Clergy Retirement Security Program (CRSP)	Provides eligible clergy with a defined benefit and employer contribution for service from January 1, 2007 to the present <ul style="list-style-type: none"> • DB = 1.25% x years of service from 2007 through 2013 x final DAC, plus 1% x years of credited service after 2013 x final DAC • DC = 2% of compensation, plus 1% matching contribution
Retirement Plan for General Agencies (RPGA)	Provides eligible clergy and lay employees of general agencies with a mandatory employer contribution—8% of compensation, plus 2% matching contribution
Global Episcopal Pension Program (GEPP)	Provides defined benefit to eligible Central Conference bishops consecrated on or after May 3, 2008 <ul style="list-style-type: none"> • 1.5% of final salary plus housing x years of service • Bishops consecrated prior to May 3, 2008 receive a monthly benefit of 30% of final salary plus housing
United Methodist Personal Investment Plan (UMPIP) and Horizon 401(k) Plan	Provides eligible clergy and lay employees with a defined contribution savings opportunity plus employer contributions depending on design

Recognizing Challenges

- Reduced U.S. membership
- Denominational structure
- Economics and market volatility
- Legal and political environment
- Demographics
- Projected retirement income inadequacy

What Should We Do?



The Ultimate Goal

“Wespath strives to create plan change proposals and decisions which are reasonably based on a balance between the common good of participants as a group and plan sponsors as a group.”

Board Policy, Section I: Ends, Paragraph 1.1(d)

Study Phases and Timeline



Phase 1 Milestones

Organization and Initial Discovery

August ▶ December 2016

- ▶ Develop/refine strategic statement
- ▶ Consult Willis Towers Watson
- ▶ Brainstorm reasonable design changes
- ▶ Collect data

Phase 2 Milestones

Learning and Analysis

December 2016 ▶ April 2017

- Conduct participant survey
- Benchmark
- Gather stakeholder input
- Assess stakeholder-specific impact

Phase 3 Milestones

Initial Board Report and Next Steps Determination

April ► May 2017

- Determine impact of potential design changes
- Report initial findings to Board
- Determine next steps

Phase 4 Milestones

Engagement and Change Proposals

May 2017 ▶ September 2018

- ▶ Deepen Phase 2 learnings and analysis
- ▶ Narrow the universe of potential solutions
- ▶ Engage stakeholders
- ▶ Recommend plan design changes to Board
- ▶ Develop proposed legislation

Questions?



Breakout Discussion

What are the benefits of the current clergy plan design?

What are the burdens of the current clergy plan design?

Are there challenges we need to keep in mind
beyond those listed on slide 5?

How would you define the ideal plan design of the future?



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