



Conference Forum—October 2020



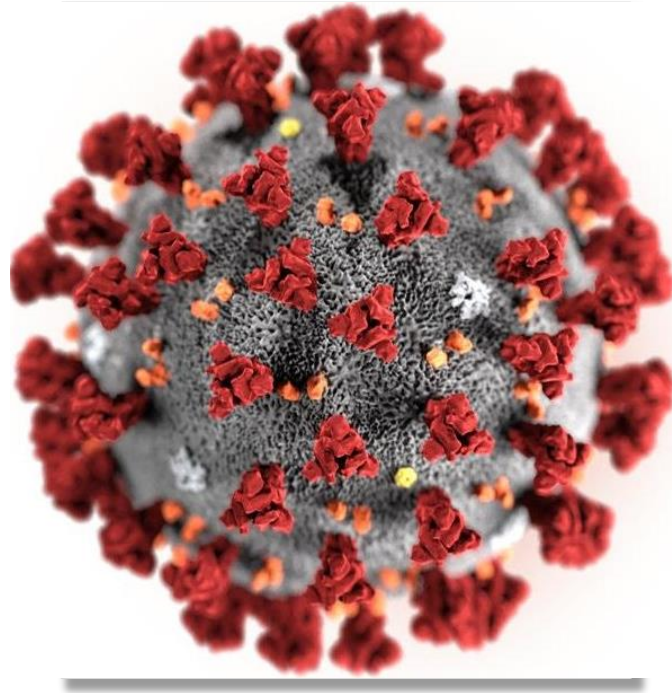
Wespath

BENEFITS | INVESTMENTS

Compass Plan Implementation

Progress Update

Once Upon A Time



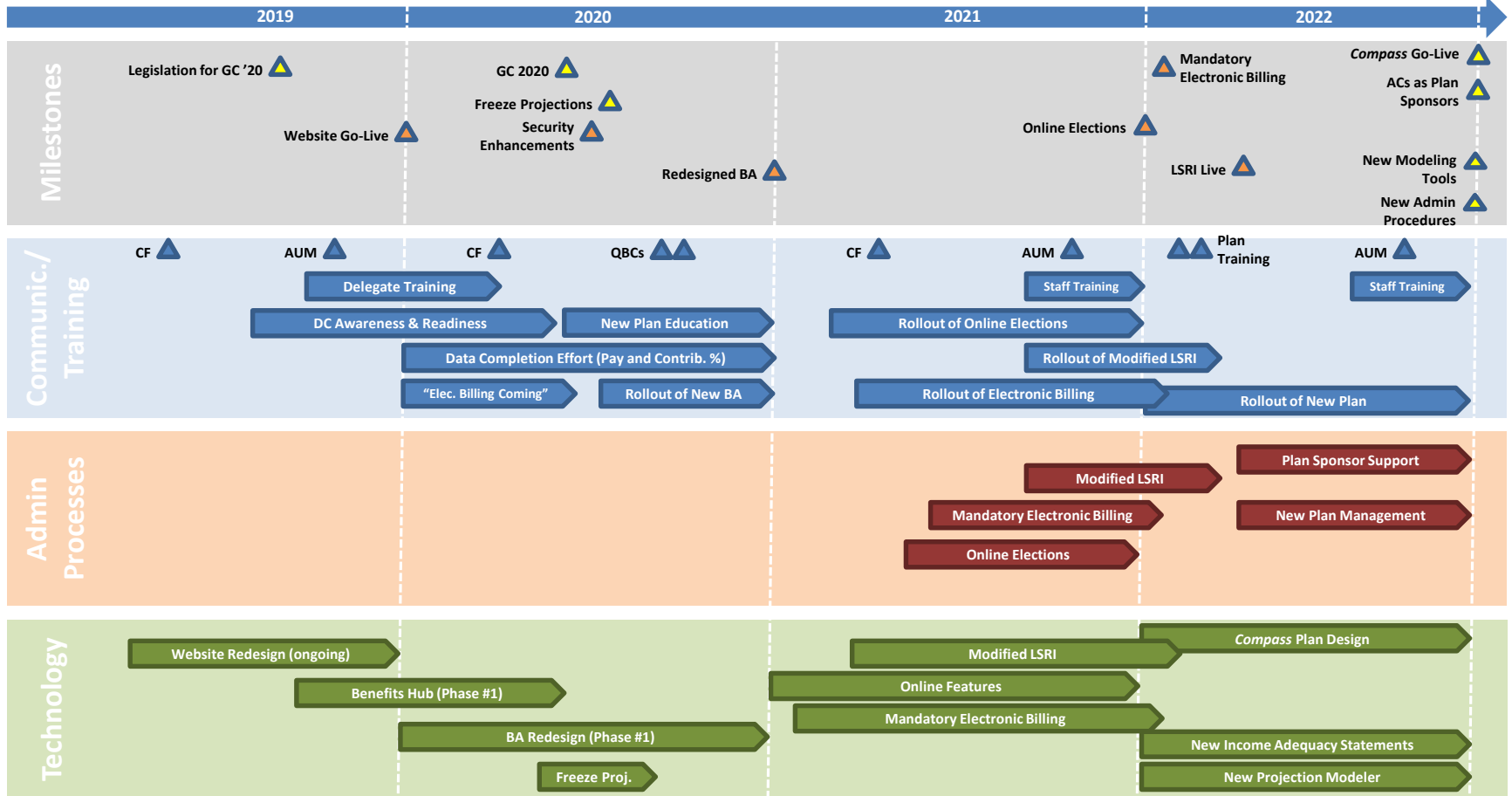
Impact of Postponement of General Conference

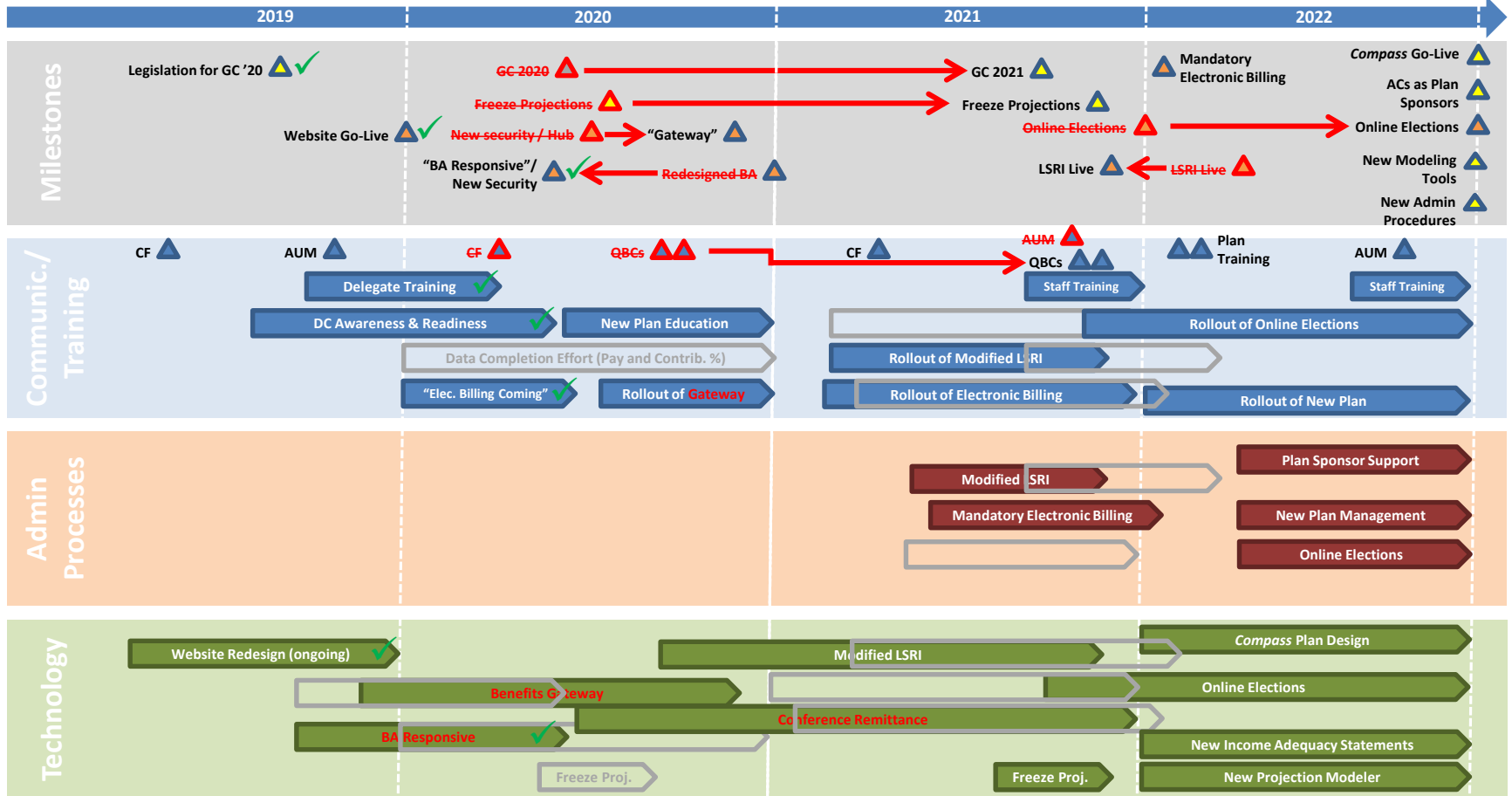
Do we still plan to implement
Compass as of 1/1/2023?

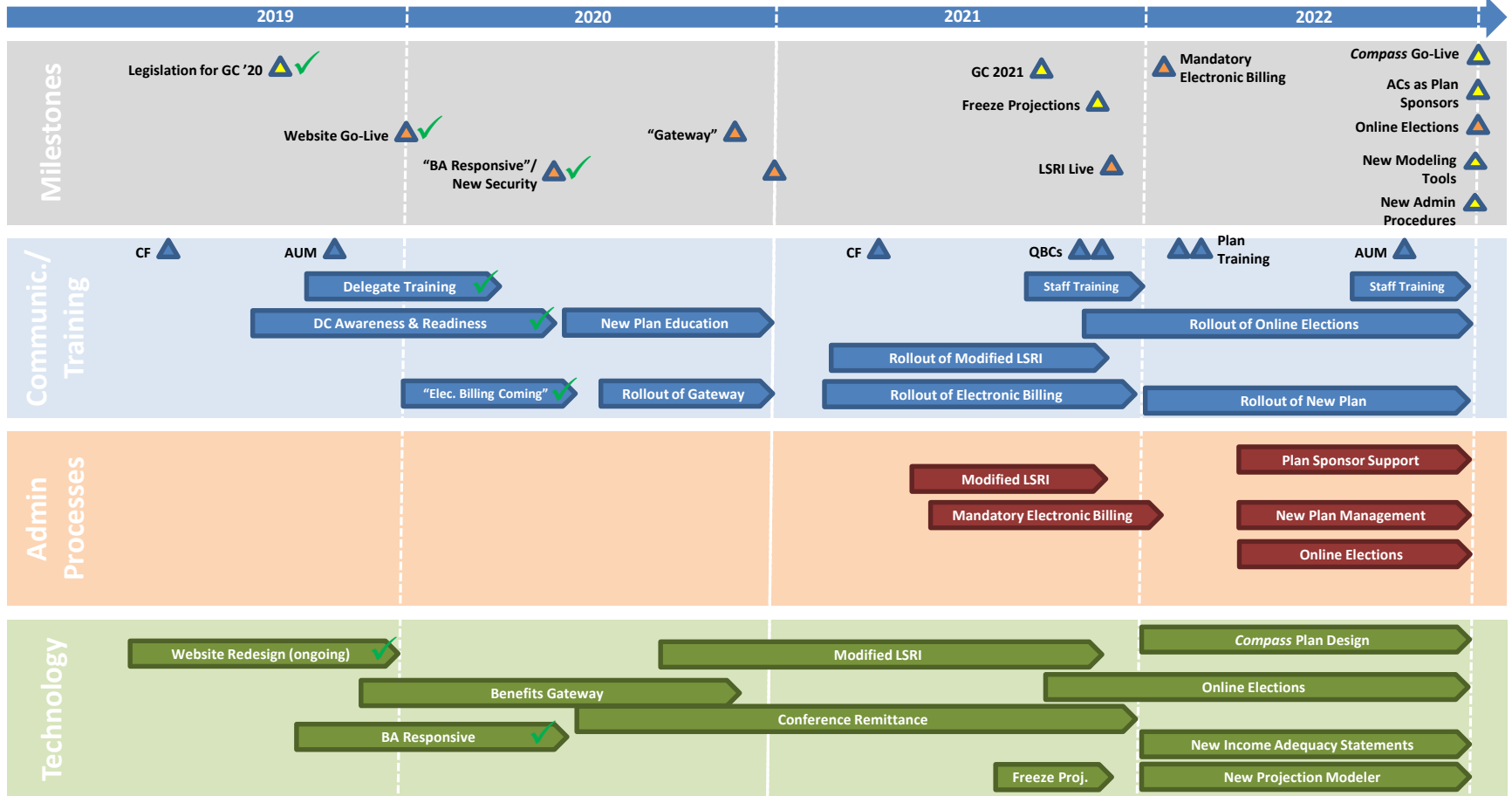
Yes ✓

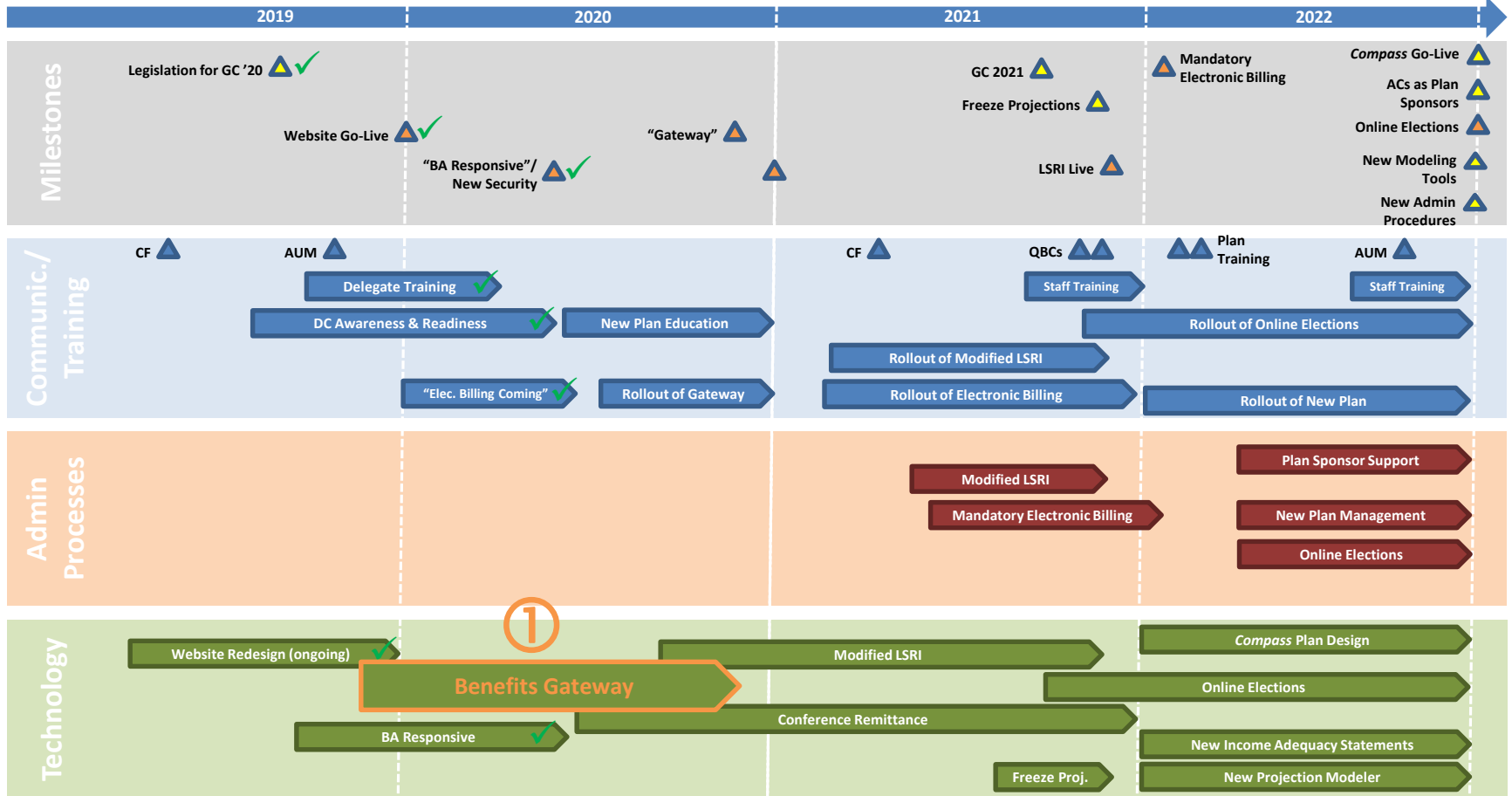


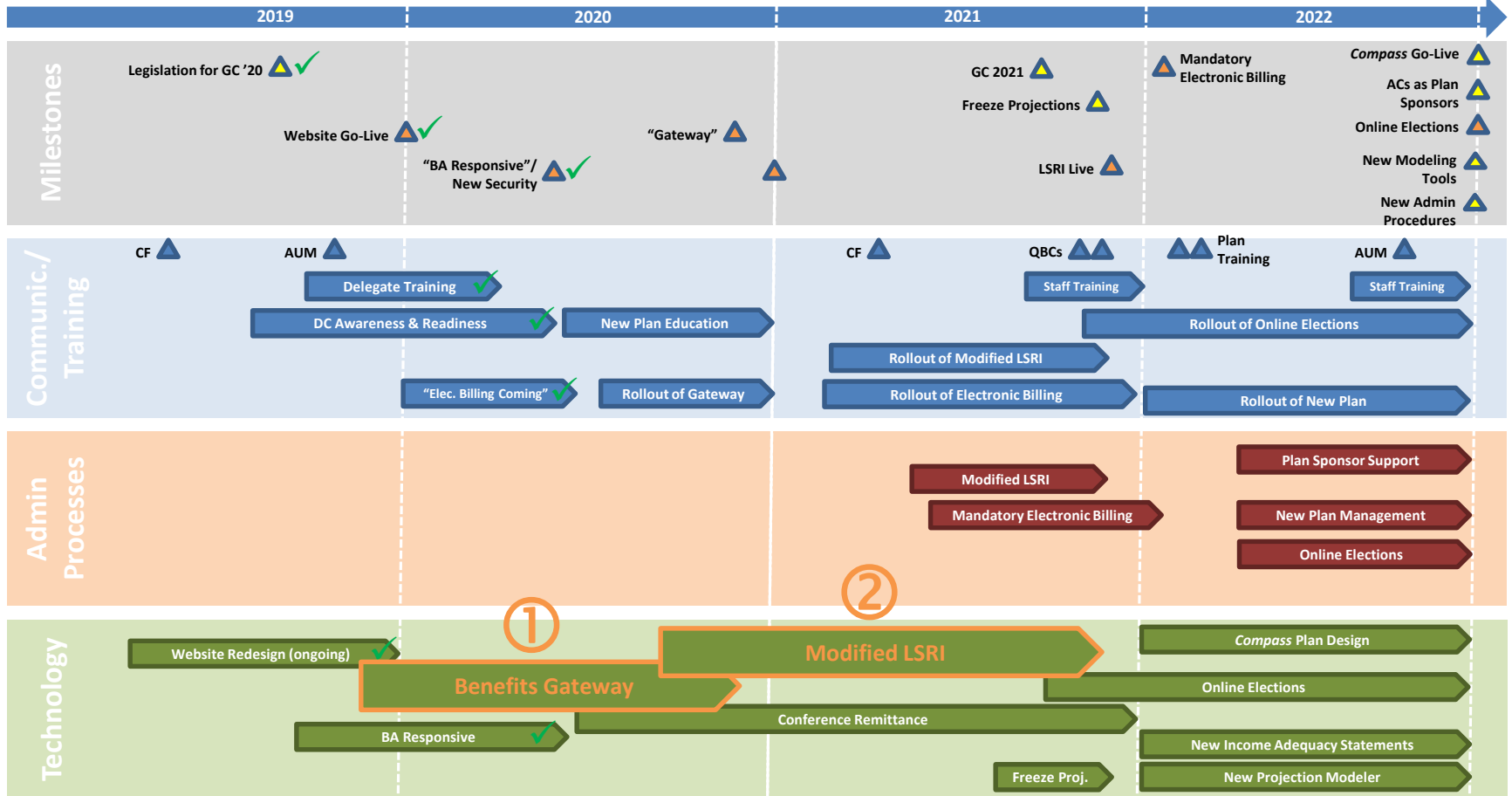
Original *Compass* Implementation Roadmap

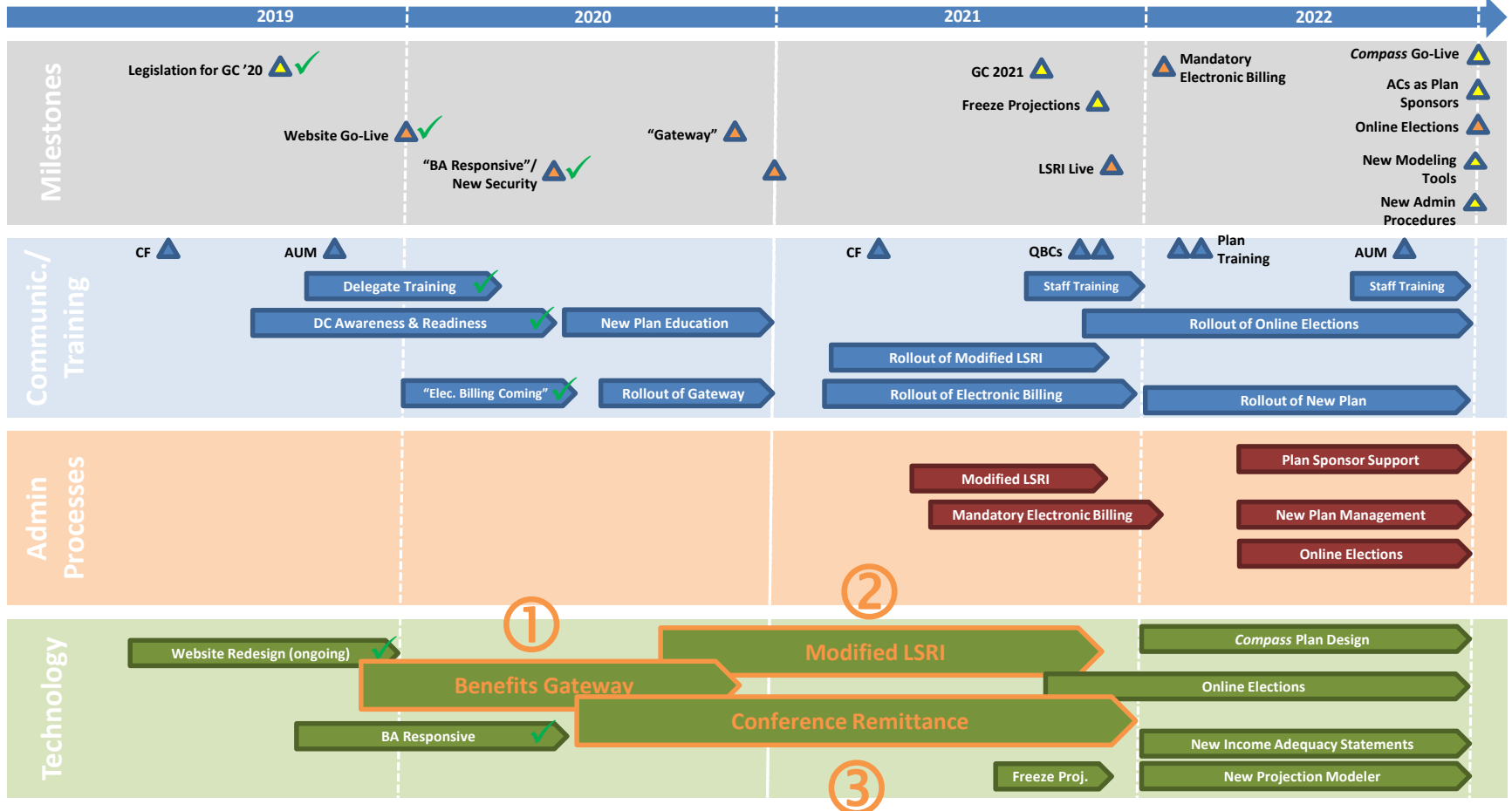










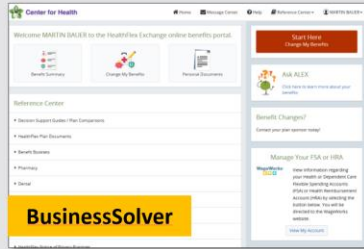


① Benefits Gateway

Looking Forward:
Enhanced, Integrated User Experience



Benefits Access



BusinessSolver



Virgin Pulse



EY

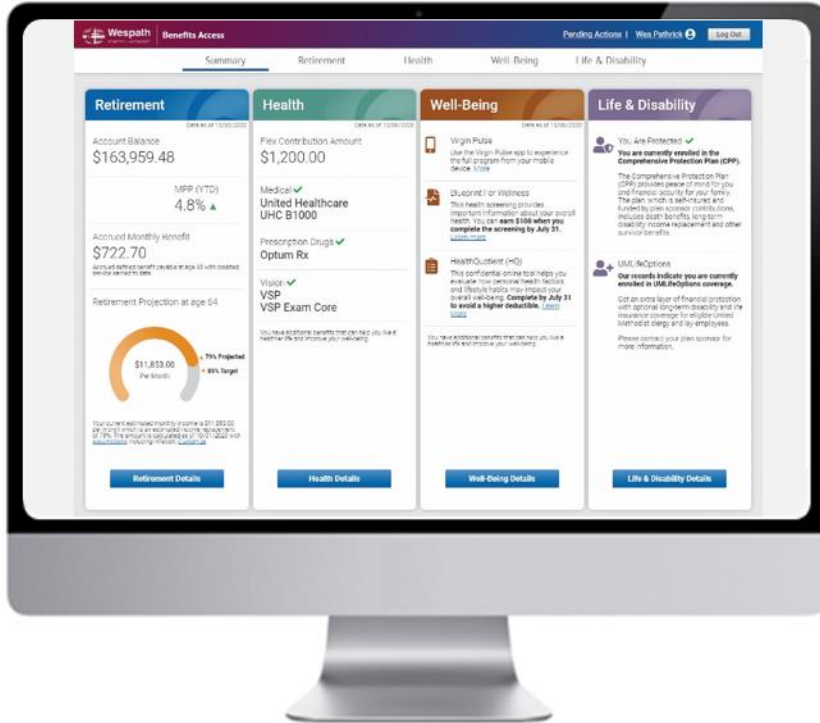


WebMD

I showed you
this slide in
March of 2018...

... and I promised
to do something
about it

① Benefits Gateway



*Stay tuned
for the session
this afternoon*

② Modified LSRI*

- Lower interest rates cause lower payout rates for mandatory MPP* annuitization
- This makes annuitization less attractive
- Questions have been raised what alternatives should be offered

* MPP: Ministerial Pension Plan
LSRI: LifeStage Retirement Income



② Modified LSRI

Reminder

- One of Wespath's petitions would create new alternative to mandatory annuitization of 65% of MPP account balance:
 - Option to transfer 65% of MPP account balance to Compass plan
 - Payout rules would be the same as for employer contributions to Compass, i.e., lifetime income according to new and improved **LifeStage Retirement Income (LSRI)** program

② Modified LSRI

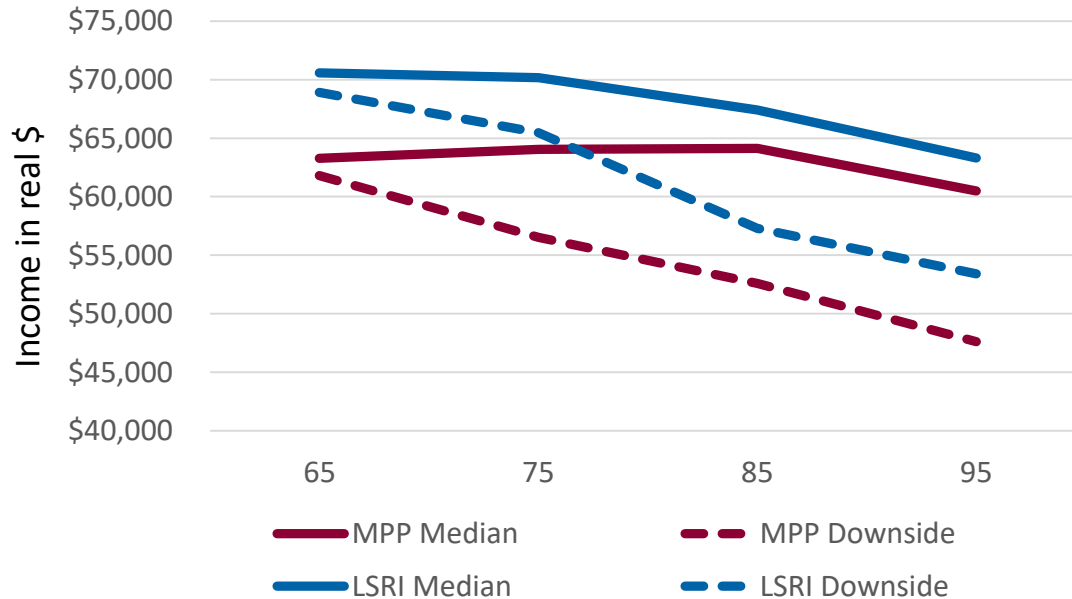
We are planning to make LSRI payout option for MPP available shortly after General Conference 2021

Target Date is **December 1, 2021**



② Modified LSRI

Current MPP Annuitization versus MPP Payout via new LifeStage



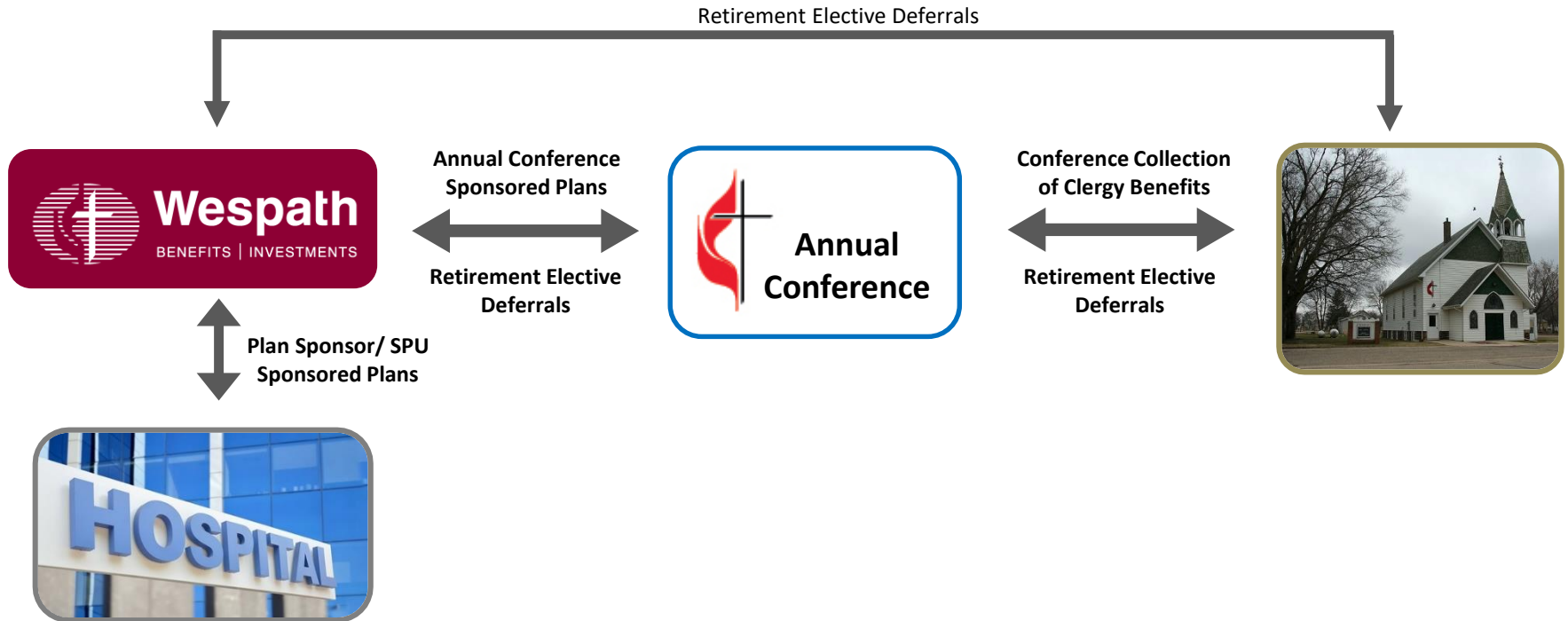
LifeStage leverages

- Deferred Annuity
- Deferred Social Security
- Higher expected returns



③ Contribution Remittance Process

Wespath Remittance Process



Mutual Benefits

Participants	<ul style="list-style-type: none">• Maximized employer match potential• Equitable account balances between peers
Churches	<ul style="list-style-type: none">• Standardized payment method for all obligations• Minimized impact of knowledge loss when staff transitions
Conferences	<ul style="list-style-type: none">• Oversight of all clergy benefit contributions and premiums• Streamlined administration of automatic features• Ability to direct bill matching contributions
Wespath	<ul style="list-style-type: none">• Adherence to secure, sustainable financial practices• Increased efficiency following industry best practices

Challenges Expressed

- Administrative burden—processes and staff
- Legal/liability concerns
- Collecting from churches
- Technology and data integration needs

Fact-finding mission underway!



Overcoming the Challenges

- **Contribution election change frequency**
 - Average of 20 non-CRSP clergy contribute to UMPIP
 - Average of 50 contribution election changes occur other than at an appointment or compensation change
- **Contribution election data**
 - Available now on BAP
 - Active Participants report
 - Participant Contribution Change report
 - Contribution Activity report



Overcoming the Challenges

- **Contribution election process improvements:**
 - Retain contribution elections between appointments within conference
 - Enhanced reporting
 - Participant notification of elective deferral change
 - Adjustment billing in UMPIP



Legal/Liability Concerns

- 2019 clergy UMPIP arrearages average \$25,000 per conference
- Most conferences reported 96% benefit collection rates
- Similar risk as other salary reduction items currently collected (e.g., HSA, FSA, DCA, MRA, etc.)



Next Steps

- System Enhancements
- Implementation and change management plan
- Pilot new remittance process in 2021





Wespath

BENEFITS | INVESTMENTS