



**Wespath**

BENEFITS | INVESTMENTS



SUMMARY PLAN DESCRIPTION

## Personal Investment Plan

Wespath

1901 Chestnut Avenue  
Glenview, IL 60025-1604

[wespath.org](http://wespath.org)

For 24-hour access to your current account information,  
log in to Benefits Access ([BenefitsAccess.org](http://BenefitsAccess.org)).

## TABLE OF CONTENTS

|   |           |
|---|-----------|
| <b>IMPORTANT INFORMATION</b> .....                                    | <b>5</b>  |
| <b>INTRODUCTION</b> .....   | <b>6</b>  |
| <b>ELIGIBILITY AND ENROLLMENT</b> .....                               | <b>8</b>  |
| Enrollment .....  | 8         |
| Important Enrollment Information .....                                | 8         |
| Election Not to Participate (Waive Participation) .....               | 9         |
| <b>BENEFICIARY DESIGNATION</b> .....                                  | <b>10</b> |
| Married Participants .....  | 10        |
| Designation Procedures .....  | 11        |
| Designation Before January 1, 2006 .....                              | 11        |
| <b>PARTICIPANT CONTRIBUTIONS</b> .....                                | <b>12</b> |
| Before-Tax Contributions.....   | 12        |
| Roth and After-Tax Contributions.....                                 | 12        |
| Contribution Election Form.....                                       | 12        |
| Automatic Enrollment.....   | 13        |
| Automatic Contribution Escalation .....                               | 13        |
| Changing Your Contributions .....                                     | 13        |
| Rollover Contributions .....  | 13        |
| Transfer Contributions.....   | 14        |
| Qualified Voluntary Employee Contributions (QVECs) .....              | 14        |
| <b>PLAN SPONSOR CONTRIBUTIONS</b> .....                               | <b>15</b> |
| Plan Sponsor Contributions Eligibility.....                           | 15        |
| Plan Sponsor Contribution Types.....                                  | 17        |
| Vesting .....   | 18        |
| <b>CONTRIBUTION LIMITATIONS AND EXCESS CONTRIBUTIONS</b> .....        | <b>19</b> |
| Before-Tax and Roth Participant Contributions Limit.....              | 19        |
| Catch-Up Contributions .....  | 19        |
| Annual Account Additions Limit.....                                   | 20        |
| <b>INVESTMENT OF YOUR ACCOUNTS</b> .....                              | <b>21</b> |
| LifeStage Investment Management.....                                  | 22        |
| Making Your PIP Investment Elections .....                            | 22        |
| Keeping Track of Your Accounts .....                                  | 22        |
| <b>ACCESS TO YOUR ACCOUNTS BEFORE RETIREMENT OR TERMINATION</b> ..... | <b>23</b> |
| Hardship Loans.....   | 23        |
| Hardship Withdrawals .....  | 25        |
| Rollover Account Withdrawal .....                                     | 26        |
| In-Service Withdrawal Upon Attaining Age 59½.....                     | 26        |
| Qualified Military Reservist Withdrawal .....                         | 26        |
| Qualified Military Withdrawal .....                                   | 26        |
| Early Distribution Due to Disability .....                            | 26        |

|  |           |
|--|-----------|
| <b>DISTRIBUTION OF YOUR ACCOUNTS .....</b>   | <b>27</b> |
| Death .....  | 27        |
| Death Before You Begin Receiving Benefits.....                                       | 27        |
| Death After You Begin Receiving Benefits .....                                       | 29        |
| Required Minimum Distributions (RMDs) .....  | 29        |
| Forms of Payment.....  | 30        |
| Retirement Income (also known as cash installments) .....                            | 30        |
| Partial Lump Sum Distribution .....  | 31        |
| Single Sum (or Lump Sum) Distribution .....  | 31        |
| Electing Your Benefits .....   | 32        |
| Trailing Account Balances .....  | 32        |
| Eligible Rollover Distribution .....   | 32        |
| <b>CLAIMS AND APPEALS .....</b>  | <b>33</b> |
| Denial of the Application or Claim .....   | 33        |
| Mandatory Arbitration.....   | 33        |
| <b>TAXATION CONSIDERATIONS .....</b>   | <b>35</b> |
| Taxes While Your Account Is in PIP .....   | 35        |
| Taxes When Your Account Is Paid.....   | 35        |
| 10% Federal Excise Tax .....   | 36        |
| <b>OTHER INFORMATION YOU SHOULD KNOW .....</b>                                       | <b>37</b> |
| Assignment of Benefits and Qualified Domestic Relations Orders (QDROs) .....         | 37        |
| USERRA and the HEART Act of 2008 .....   | 37        |
| How Unclaimed, Relinquished or Disclaimed Benefits Can Be Delayed or Forfeited ..... | 38        |
| Non-Reversion .....  | 38        |
| Bankruptcy and Your PIP Benefits .....   | 39        |
| Ineligible Participation .....   | 39        |
| If PIP is Terminated or Modified .....   | 39        |
| If PIP Is Merged, Consolidated or Transferred.....                                   | 39        |
| Plan Sponsors.....   | 39        |
| Plan Administrator .....   | 40        |
| PIP Name, Type and Year .....  | 40        |
| Securities Laws.....   | 40        |
| Agent for Service of Legal Process .....   | 40        |
| PIP Trustee .....  | 40        |
| <b>GLOSSARY .....</b>  | <b>41</b> |

## IMPORTANT INFORMATION

This booklet is a Summary Plan Description (SPD), which provides information regarding the Personal Investment Plan (PIP).

You will notice that some words used in this SPD begin with capital letters. These words have special meanings and are addressed in a glossary at the end of this SPD to assist you in better understanding your benefits. Please keep in mind as you read this SPD that it is a summary of PIP's main features and not a detailed description of all provisions. The complete details of PIP can be found in the official PIP plan document, which is available to you upon request. You can always access the most current version of the SPD on the Wespath website at [wespath.org](http://wespath.org).

Your Plan Sponsor has elected certain PIP options, such as type and amount of contributions and a vesting schedule. Wespath has prepared a document, *PIP and You*, that reflects the choices of your Plan Sponsor. To fully understand your benefits, please read this SPD along with *PIP and You*.

This SPD describes the terms and conditions of PIP and is based on the plan document, effective January 1, 2019. Every attempt has been made to accurately summarize these terms and conditions; however, if there are any discrepancies between this SPD and the plan document, the PIP plan document will govern at all times. The plan document constitutes the legal embodiment of the terms and conditions of PIP, which is subject to amendment or termination as provided therein.

Similarly, if there are any discrepancies between *PIP and You* and your Plan Sponsor's applicable Adoption Agreement, your Plan Sponsor's applicable Adoption Agreement will govern at all times. Nothing contained in this SPD is intended to be nor will be construed as constituting a contract of employment with any Employee or Participant or a contract or other arrangement between Wespath or Trustee and any Employer, Plan Sponsor, Participant or any other person.

Furthermore, Wespath may change the statements made in this SPD at any time. All distributions, in-service loans and withdrawals are subject to rules adopted by Wespath as the administrator of PIP and may require the submission of forms. Moreover, Wespath has the authority to interpret the provisions of PIP and the SPD, to develop administrative rules and procedures and to resolve or otherwise decide matters not specifically covered by the terms and conditions of PIP. Wespath and the Plan Sponsor have additional powers and duties; please contact Wespath for more information. You may request the plan document at any time.

## INTRODUCTION

Although there are records of retirement plans going back to colonial times, such plans were few and far between until the American Express Company introduced a pension plan for its employees in 1875. Given this historical perspective, The United Methodist Church is justified in claiming a long and proud tradition of providing retirement benefits to those in its service. In 1796, The Methodist Episcopal Church introduced its retirement program, called the Chartered Fund, at a time when any type of benefit plan was quite rare. The United Methodist Church continues this proud tradition today through the wide variety of benefit plans and programs administered by Wespath. One such plan is The Personal Investment Plan (PIP).

Before you begin reading this SPD, please check to make sure you have the *PIP and You* summary sheet, which outlines the specific provisions your Plan Sponsor has elected, such as contribution rates. A *PIP and You* summary sheet was mailed to you when you were enrolled in the plan.

PIP is the amendment and restatement of the Cumulative Pension and Benefit Fund (CPBF) and the Personal Investment Plan (PIP) and was effective January 1, 2006. PIP consists of both Participant Contributions and Plan Sponsor Contributions, if any, made on your behalf.

The Retirement Plan for General Agencies (RPGA) was terminated as of December 31, 2024. All RPGA DC balances were transferred to participants' accounts in the Personal Investment Plan (PIP, formerly UMPIP) in early 2025. RPGA annuities will continue to be paid by a successor defined benefit plan and are not impacted by the termination of RPGA.

Here are some highlights of how PIP works:

- You can make before-tax, Roth and/or after-tax Participant Contributions.
- You can save a percentage or dollar amount of your Compensation on a before-tax basis. Before-Tax Contributions are withheld from your Compensation before your federal and, in most cases, state and local income taxes are withheld. This lowers your taxable income and, in turn, lowers your current taxes. (Remember, you may owe income taxes on distributions from PIP in the future.)
- You can also save a percentage or dollar amount of your Compensation as Roth contributions. This means that your Roth contributions to PIP have already been taxed. You will not owe income tax on these contributions when they are distributed to you. However, you may owe taxes on the earnings on your Account when you take a distribution if it is a non-qualified distribution. Refer to the "Taxation Considerations" section for more information.
- You can also save a percentage or dollar amount of your Compensation on an after-tax basis. This means that your Contributions to PIP have already been taxed. You will not owe income tax on these Contributions when they are distributed to you. However, you may owe taxes on the earnings on your Account when you take a distribution. (Clergy may avoid taxation because of a housing allowance exemption.)
- Your Plan Sponsor may also make Plan Sponsor Contributions to PIP on your behalf. See *PIP and You* to determine whether your Plan Sponsor makes Plan Sponsor Contributions. If you are a Clergy person, your Plan Sponsor may be your Conference or your Salary Paying Unit, and you may have one Plan Sponsor for Participant Contributions and a different one for Plan Sponsor Contributions.
- You decide how to invest your Contributions. PIP offers a variety of investment fund options, each with lower annual fund operating expenses and a history of competitive returns both as compared to mutual funds with similar investments. All of the investment funds adhere to Wespath's sustainable investment guidelines, directed by the Social Principles of The United Methodist Church as outlined in *The Book of Discipline*.
- You are immediately 100% vested in your Participant Contributions. Plan Sponsor Contributions, if any, may be subject to a vesting schedule. (See *PIP and You* for specific details.)

- PIP is designed to provide retirement income. Generally, you can receive a distribution from your Account upon your Retirement, Termination of Employment, Termination of Conference Relationship or disability.
- In addition, PIP allows you to withdraw or borrow money from your Participant Contribution Account if you have an approved financial hardship or to withdraw money from your Participant Contribution Account if you are age 59½ or older.
- You may roll over accounts from your other qualified retirement plans to your Rollover Account in PIP and elect to receive withdrawals from your Rollover Account at any time.
- Upon your death, your Account is available to your Beneficiary.

To make good decisions and take full advantage of PIP features, you should understand how PIP works. The best way to start is to read this SPD and *PIP and You*.

### **Questions?**

For additional information regarding PIP or the other plans administered by Wespath, or investments and financial planning, please visit the Wespath website at [wspath.org](http://wspath.org). For information about your Account, you have 24 hour, seven days a week access through Benefits Access at [benefitsaccess.org](http://benefitsaccess.org). You also can call and speak with a customer service representative at **1-800-851-2201** Monday through Friday between 8:00 a.m. and 6:00 p.m., Central time. For specific information regarding your Plan Sponsor's elections for PIP, you may want to contact your Plan Sponsor directly. Throughout this document, we will refer you to Benefit Access or Wespath if you want more information about your Account or you have questions about the content of this SPD.

## ELIGIBILITY AND ENROLLMENT

You must be an Employee of the Plan Sponsor or a Clergy person appointed by or to your Plan Sponsor and not a leased employee to participate. If your Conference, Employer or Salary-Paying Unit has agreed to sponsor PIP for you for Participant Contributions, you are immediately eligible to make Participant Contributions to PIP. In addition, you must receive Compensation and have entered into a Salary-Reduction Agreement or have been automatically enrolled by your Plan Sponsor if such enrollment was elected in the Adoption Agreement. (See the “Automatic Enrollment” section on page 13.) If your Plan Sponsor is your Conference, then your Salary-Paying Unit must agree to withhold Participant Contributions from your Compensation and forward them to Wespath.

Note that your Plan Sponsor may have elected additional requirements that you must meet to receive Plan Sponsor Contributions. See the “Plan Sponsor Contributions” section on page 15.

### Enrollment

Before any Participant Contributions can be deducted from your paycheck and before any Plan Sponsor Contributions made on your behalf can be accepted, your Plan Sponsor must submit a completed Enrollment Form to Wespath. Once you are enrolled in PIP, your Plan Sponsor will begin contributing to your Account at the next entry date. Your entry date will be:

- Participant Contribution Account: the date you designate for deductions to begin from your Compensation for Before-Tax, Roth and/or After-Tax Contributions;
- Plan Sponsor Contribution Account (whichever of the two following entry date options your Plan Sponsor elected): a) the first day of the month after you satisfy requirements for Plan Sponsor Contributions; or b) the earlier of the next January 1 or July 1.

### Important Enrollment Information

When you are eligible to participate, it is important that you complete the following information on the Enrollment form.

|                                |  |
|--------------------------------|--|
| <b>Contribution Election</b>   | Use this section of the Enrollment form to tell your Employer or Salary-Paying Unit if you elect to make Participant Contributions to PIP. You can change your contribution amount or cease making contributions at any time in the future. (Please see the “Participant Contributions” section on page 12.)   |
| <b>Investment Election</b>     | Use this section of the Enrollment form to inform Wespath how you want to invest your Contributions. You can change investments at any time in the future. (Please see the “Investment of your Accounts” section on page 21.)  |
| <b>Beneficiary Designation</b> | Once you are enrolled in PIP, register on Benefits Access ( <a href="https://benefitsaccess.org">benefitsaccess.org</a> ) and inform Wespath whom you wish to designate as your Beneficiary for your Account upon your death. If you cannot access your account online, you may designate your Beneficiary using the Beneficiary Designation form. You can change your Beneficiary at any time in the future. (Please see the “Beneficiary Designation” section on page 10.) |



## **Election Not to Participate (Waive Participation)**

When you waive participation, you are not eligible for, nor entitled to, any Participant or Plan Sponsor Contributions for the period during which you waived participation; thus, your Plan Sponsor will not remit Contributions to Wespath on your behalf.

If your Plan Sponsor has chosen not to make Plan Sponsor Contributions or makes matching or conditional Plan Sponsor Contributions (see the “Plan Sponsor Contributions” section on page 15 and refer to *PIP and You*), you may choose not to participate in PIP by completing a *Contribution Election* form indicating you do not wish to make Participant Contributions. If you do not make Participant Contributions to PIP, you will not receive any matching or conditional Plan Sponsor Contributions.

If your plan sponsor has chosen to make non-matching Plan Sponsor Contributions (see the “Plan Sponsor Contributions” section on page 15 and refer to *PIP and You*), you may choose not to participate in PIP by informing your Plan Sponsor and completing a *Waiver of Participation* form not later than 60 days after the effective date of such election. You may revoke your waiver of PIP participation at any time while you are eligible for participation, but your Plan Sponsor will not remit Contributions for the period during which you waived participation.

PIP is a way for you to prepare for retirement through tax-favored personal savings. Wespath suggests that you seek financial advice if you are thinking about waiving participation in PIP.

## BENEFICIARY DESIGNATION

Your Beneficiary is the person or persons to whom Wespath will pay your PIP Account if you die before receiving a distribution of your entire Account. Your Beneficiary will also receive your Account if Wespath or the Plan Sponsor cannot locate you when you must begin receiving a distribution from your Account. (Please see the “Distribution of Your Accounts” section on page 27.)

Wespath has sole discretion in determining the Beneficiary of any Accounts payable under the terms and contributions of PIP.

You may designate a Beneficiary by logging into your account at **benefitsaccess.org**. If you are not able to go online, you may submit a completed *Beneficiary Designation* form to Wespath. If you are married at your death, your primary Beneficiary is your Spouse unless your Spouse consents or consented to the designation of someone else. If you are not married at your death and you did not designate a Beneficiary or your designated Beneficiaries are all deceased or cannot be located, then Wespath will pay your Account to your estate as your default Beneficiary. If you want to direct payment to someone in addition to or instead of your Spouse or estate, it is important that you designate a Beneficiary. In order to be valid, beneficiary designations must be received by Wespath during your lifetime.

If your Beneficiary does not immediately elect to receive a distribution, he or she may designate his or her own Beneficiary. If he or she does not designate a Beneficiary, Wespath will pay the Account to your Beneficiary’s spouse or estate at your Beneficiary’s death.

### Married Participants

If you are married, you may designate someone in addition to or in place of your Spouse, but your Spouse must consent to the designation as instructed on the Beneficiary Designation Form. If your Spouse does not consent and you die married, your designation will not be effective unless one of the following exceptions applies:

- you are legally separated from or abandoned by your Spouse at your death and you (or your successors) produce a court order confirming such separation or abandonment;
- your Spouse Disclaims all benefits from your Account in writing before receiving them;
- your Spouse cannot be located when you are required to receive a distribution; or
- you have a qualified domestic relations order (QDRO) requiring all or a portion of your benefits to be paid to an Alternate Payee under the QDRO. (Please see the “Assignment of Benefits and Qualified Domestic Relations Orders” section on page 37.)

If you and your Spouse divorced on or after January 1, 1998, any Beneficiary designation you made before the divorce in favor of your former Spouse is automatically revoked. Your former Spouse is no longer your Beneficiary unless:

- the Administrator receives and approves a QDRO that requires PIP to pay benefits to your former Spouse as your Beneficiary; or
- you designated your former Spouse as your Beneficiary in Benefits Access or on a Beneficiary Designation Form with Wespath after your divorce.

If you and your Spouse divorced before 1998, any CPBF, Ministerial Pension Plan (MPP) or Staff Retirement Benefits Program (SRBP) Beneficiary designation you made before January 1, 1998 in favor of your former Spouse will remain in place unless you designated a different Beneficiary in Benefits Access or you file or filed a new Beneficiary Designation Form with Wespath after January 1, 1998 or after your divorce.

## Designation Procedures

You may designate one or more individuals, trusts or other legal entities as your Beneficiary subject to Spousal consent (see the abovementioned “Married Participants” section). Each designated Beneficiary will receive an equal share, per capita, unless you clearly specify otherwise in Benefits Access or on the Beneficiary Designation form. (If the shares you specify do not equal 100%, each Beneficiary will receive an equal share.) Also, you may designate a primary and a secondary Beneficiary. If your primary Beneficiary is not validly designated, is not alive at your death or disappearance or cannot be located after your death or disappearance, your other primary Beneficiaries, if any, or secondary Beneficiary may receive your Account. Wespath will determine, in its sole discretion, the Beneficiary of your Account pursuant to the terms and conditions of PIP.

You may designate Beneficiaries by logging onto [benefitsaccess.org](http://benefitsaccess.org). If you cannot access your account online, you may request a Beneficiary Designation form from Wespath. After completing the form, please sign and return it to Wespath. Your Beneficiary designation is effective only if the election is made in Benefits Access or form is received by Wespath during your lifetime, or if the form is postmarked or sent by private courier (such as FedEx or the United Parcel Service) to Wespath before your death. Wespath will send a letter confirming receipt and acceptance of your Beneficiary designation to you. The most current Beneficiary Designation election made online or on a form will revoke all previous elections once Wespath accepts it as valid.

It is a good idea to keep a copy of the information you submitted and your confirmation and check it periodically (especially after a birth, death, marriage or divorce) to make sure that it still represents your wishes. If you elect to make a change, you must make the changes via Benefits Access or submit a new form to Wespath.

If you do not complete the Beneficiary Designation Form according to the rules, Wespath may not accept the form and will return it to you. If Wespath determines that your Beneficiary Designation Form is not valid, your previous designation will remain in effect. If Wespath returns a form to you because it is not valid, it is important that you understand the reason and go online or submit a new form with your desired Beneficiary designation. If the reason that Wespath did not accept the form is not clear, please contact Wespath for an explanation. (If Wespath fails to return a form to you, such failure is not an indication that the form is valid.)

Wespath reserves the right to change the Beneficiary designation procedures at any time in accordance with the terms and conditions of PIP.

## Designation Before January 1, 2006

If you participated in CPBF and/or PIP before January 1, 2006, or MPP or SRBP before January 1, 2007, (or September 1, 2008 for bishops), but did not designate a PIP Beneficiary acceptable to Wespath, the Beneficiary designation for these plans will become your PIP Beneficiary designation as follows.

|  |   |
|--|---|
| <b>If you designated a Beneficiary for CPBF, MPP, SRBP or PIP, but not for PIP...</b>                        | ...then your CPBF, MPP, SRBP or PIP designation (whichever is most recent) is your PIP Account Beneficiary.   |
| <b>If you designated a CPBF, MPP or SRBP Beneficiary and a PIP Beneficiary, but not a PIP Beneficiary...</b> | ...then your CPBF, MPP or SRBP designation (whichever is most recent) is your PIP Plan Sponsor Contributions Beneficiary, and your PIP designation is your PIP Participant Contributions Beneficiary. |

However, if your designation was not acceptable at the time of receipt or if you did not designate a Beneficiary on a Wespath-approved form, your prior designation will not apply to your PIP Account.

Please keep your Beneficiary designation up-to-date. You may change or view your current Beneficiary designations on Benefits Access at [benefitsaccess.org](http://benefitsaccess.org). Any time you make a change, Wespath will send you a Beneficiary confirmation by email or mail. You should keep a copy of your most recent Beneficiary confirmation you receive and Beneficiary Designation form if you sent one to Wespath.

If your Beneficiary dies or you divorce, you may wish to change your Beneficiary designation. Also, please provide Wespath with your Beneficiary’s Social Security number, address and phone number. If your Beneficiary does not submit a claim for benefits or Wespath cannot locate your Beneficiary, he or she may forfeit the benefits.

## PARTICIPANT CONTRIBUTIONS

If you are a current or former employee of a PIP Plan Sponsor for Participant Contributions, you may contribute to your Account once you are enrolled in PIP.

PIP permits several types of Participant Contributions:

- Before-Tax Contributions;
- Roth Contributions;
- After-Tax Contributions;
- Rollovers from other qualified retirement plans or IRAs;
- Transfer Contributions from other qualified 403(b) plans; and
- Qualified Voluntary Employee Contributions remitted before January 1, 1987.

Wespath encourages you to save as much as you can by contributing to your Participant Contributions Account. However, the Internal Revenue Code (Code) places some limits on the total amount that you and your Plan Sponsor can contribute. (Please see the “Contribution Limitations and Excess Contributions” section on page 19.)

### Before-Tax Contributions

If you elect to contribute to PIP on a before-tax basis, your Salary-Paying Unit will deduct your Contributions from your Compensation (i.e., paycheck) before your Salary-Paying Unit has withheld federal and, in most cases, state income taxes. You may elect to contribute either a flat-dollar amount or a percentage of your Compensation. The Contributions are not treated as taxable income in the year they are withheld from your Compensation; thus, the amount will reduce your gross income for federal tax purposes. (If you are a lay employee, the amount will not reduce your income for Social Security taxes or benefits.) Your Plan Sponsor will remit the Contributions to Wespath, which will credit your Before-Tax Contributions Account as soon as practicable after receipt.

### Roth and After-Tax Contributions

If you elect to make Roth or After-Tax Contributions to PIP, your Salary-Paying Unit will deduct your Contributions from your Compensation (i.e., paycheck) after your Salary-Paying Unit has withheld federal and state income taxes. You may elect to contribute either a flat-dollar amount or a percentage to your PIP Account. The Contributions are treated as taxable income in the year they are remitted, just as your Compensation is taxable income in the year you receive it. Your Plan Sponsor will remit the Contributions to Wespath, which will credit your After-Tax and/or Roth Contributions Account as soon as practicable after receipt.

### Contribution Election Form

To make Participant Contributions, you must submit a completed *Contribution Election* form to your Plan Sponsor or Salary-Paying Unit. By completing this agreement, you are:

- authorizing your Plan Sponsor or Salary-Paying Unit to deduct the amount you specify from your Compensation;
- electing whether you want to contribute on a before-tax, Roth and/or after-tax basis; and
- specifying the amount in the form of a flat-dollar amount or a percentage (equal to at least ½ of 1%) of your Compensation.

The total of your Contributions made to PIP is subject to some limits established by PIP provisions and sections of the Code. Wespath may correct any excess contributions in a manner consistent with the rules of PIP, but together with your plan sponsor, you are responsible for ensuring that your Participant Contributions do not exceed the limits allowed by the Code. (Please see the “Contribution Limitations and Excess Contributions” section on page 19.)

## Automatic Enrollment

Your Plan Sponsor may have elected Automatic Enrollment. If you are eligible, your Plan Sponsor will automatically enroll you in PIP for a predetermined Before-Tax Contributions rate if you do not advise your Plan Sponsor otherwise. Under this option, your Plan Sponsor will automatically begin to deduct the predetermined amount from your Compensation and remit it to Wespath for deposit to your Participant Contributions Account. If you do not wish to have Contributions automatically deducted and remitted to your Account, you must inform your Plan Sponsor and complete the *Contribution Election* form prior to any future Contributions. You may stop or change your future Contributions at any time by completing a *Contribution Election* form.

## Automatic Contribution Escalation

Your Plan Sponsor may have elected Automatic Contribution Escalation. Under this feature, your rate of Before-Tax Contributions may increase every year by a chosen percentage, up to a maximum percentage, in a certain month of the year, all of which are selected by your Plan Sponsor. Escalation of Participant Contributions will occur whether you were making Before-Tax Contributions under Automatic Enrollment or by affirmatively completing a *Contribution Election* form. Participants may opt out of Automatic Contribution Escalation, or opt back into it, any time by completing and submitting a *Contribution Election* form. See the *Initial Enrollment Notice* for information on which Participants are eligible for Automatic Contribution Escalation and situations for which Automatic Contribution Escalation will not apply.

## Changing Your Contributions

You may change the amount of your Contributions by submitting a new *Contribution Election* form to your Plan Sponsor. You are permitted to make, revoke or revise an election as of any future date. (Some Plan Sponsors may require sufficient notice for payroll changes. Please contact them for more information.) The election, revocation or revision is effective as soon as administratively feasible. If you stop contributing, you may start again at any time by completing a new *Contribution Election* form.

A change to your Participant Contributions may affect your Plan Sponsor Contributions if your Plan Sponsor elected Matching or Conditional Plan Sponsor Contributions. Matching and Conditional Plan Sponsor Contributions are determined by the amount of your Participant Contributions. (Please see the “Plan Sponsor Contributions” section on page 15.) If you stop or reduce your Participant Contributions, your Plan Sponsor Contributions may stop or be reduced. Please check *PIP and You* or contact your Plan Sponsor or Wespath for more information.

## Rollover Contributions

You can roll over your account balance into PIP from a Code section 403(b) plan, 401(a)/401(k) qualified plan, 457(b) government plan or traditional IRA if that balance is an Eligible Rollover Distribution.

Roth IRAs, after-tax contributions in IRAs and Code section 457(f) plan assets cannot be rolled over to PIP.

However, if you convert your Roth IRA to a traditional IRA, it can be rolled over to PIP.

You can roll over amounts into PIP if you are a Participant, surviving Spouse or Alternate Payee. You can also roll over amounts into PIP if you are a current or former employee of any PIP Plan Sponsor, provided after the rollover your aggregate account balance from all Wespath-administered plans is at least \$5,000.

The amount you roll over is accounted for separately in your PIP Rollover Contributions Account.

There are two kinds of rollovers:

- Direct rollovers: You must inform the trustee or custodian of the other plan to: a) directly roll the amount over to your PIP Account; or b) issue a check payable to Wespath for remittance to your Account.
- Traditional or indirect rollovers: You receive a distribution check payable to you and you remit the amount to your PIP Account within 60 days after the date of the check.

## **Transfer Contributions**

If you are an Employee or Participant and you have an Account balance in another 403(b)(1), 403(b)(7) or 403(b)(9) plan, you may be eligible to transfer the plan balance to PIP. This is an easy way to consolidate your Accounts if you do not qualify for a rollover from the other plan (for instance, if you have not terminated employment with the employer that offers the other plan).

Transfers are permitted only from other 403(b) plans, but not all plans will allow transfers. Wespath must approve and accept all transfers to PIP. Wespath cannot accept transfers from non-403(b) plans, such as a Code section 401(k) plan. Once received, Wespath will credit the transfer to your PIP Before-Tax, Roth, After-Tax or Plan Sponsor Contribution Accounts, depending upon the type of money being transferred. All transfers must be made directly from the trustee or administrator of the transferring plan to Wespath.

Rolling over or transferring your other retirement plans to PIP is a great way to consolidate your retirement monies and simplify administration. Wespath is happy to assist you with the procedures and paperwork to make it easy for you. Please contact us so we can assist you through the process.

## **Qualified Voluntary Employee Contributions (QVECs)**

If you participated in CPBF, MPP or SRBP before January 1, 1987, your PIP Account may contain a kind of before-tax contributions called QVECs, which were moved to your PIP Account. QVEC balances are held in a separate Account under PIP in your name.

## PLAN SPONSOR CONTRIBUTIONS

Your Plan Sponsor may have elected to make one or more of the following types of Plan Sponsor Contributions:

- matching,
- non-matching,
- conditional, and/or
- discretionary.

If your Plan Sponsor elects to make contributions, it will also elect the amount of contributions as a percentage of: 1) your Compensation, or 2) your contributions to your Participant Contributions Account. It will elect the frequency of the contributions (by payroll period, monthly or annually). Once Wespath receives the contributions, we will credit your contributions to your Account as soon as practicable.

Please check *PIP and You* to learn whether or not your Plan Sponsor elected to remit Plan Sponsor Contributions, and, if so, the contribution type, the amount and the frequency. You may also contact your Plan Sponsor or Wespath for this information.

### Plan Sponsor Contributions Eligibility

Your Plan Sponsor may have elected to make Plan Sponsor Contributions on your behalf. Plan Sponsors are not required to make Plan Sponsor Contributions, so check *PIP and You* to see if yours does.

Each Plan Sponsor may choose the classification of employees for which it will make Plan Sponsor Contributions. You may only receive the type of Contribution that your Conference, Employer or Salary-Paying Unit chose for your employment classification. To learn if your Conference, Employer or Salary-Paying Unit has elected to make Plan Sponsor Contributions for your employment classification, please contact your Conference, Employer, Salary-Paying Unit or Wespath.

### Lay Employees, Clergypersons Under Episcopal Appointment to a Non-Conference-Responsible Plan Sponsor and Retired Clergy

If you are a lay employee or clergyperson in this category, you are eligible for plan sponsor contributions if you satisfy the eligibility requirements that were elected by your Plan Sponsor. These requirements may include:

- Minimum age;
- Minimum Service;
- Minimum Hours of Service;
- Permanent employment;
- Full-time employment;
- Receiving benefits from a long-term disability benefits plan, including the Comprehensive Protection Plan (CPP) for Clergy
- A certain Employee classification.

In addition, you generally must be receiving Compensation from your Plan Sponsor, the Plan Sponsor's Affiliate or your Salary-Paying Unit, including paid leaves, unless you are entitled to retirement contributions pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA) or the Heroes Earnings Assistance and Relief Tax Act of 2008 (HEART Act).

Review *PIP and You* to determine the eligibility requirements that apply to you for Plan Sponsor Contributions. *PIP and You* is an information sheet that you should have received from your Plan Sponsor or Wespath. This sheet describes the specific requirements for eligibility for Plan Sponsor Contributions and other elections made by your Plan Sponsor on its Adoption Agreement. It is important that you read and understand *PIP and You* so you know how PIP works for you. If you did not receive or cannot locate this sheet, please contact your Plan Sponsor or Wespath.

### **Service Requirement**

Your Plan Sponsor may require you to satisfy a Service requirement before you are eligible to participate in PIP for Plan Sponsor Contributions. You can find your Plan Sponsor's Service requirement in *PIP and You*.

For eligibility purposes, you will earn one Month of Service for the first month you work (e.g., March 15 to April 14) and for each calendar month thereafter: 1) in which you work at least one hour for your Plan Sponsor or Salary-Paying Unit, 2) for which you are paid for at least one hour by your Plan Sponsor or Salary-Paying Unit, or 3) for which you are scheduled or expected to work. You need not be employed or paid for the entire month to receive credit for a Month of Service.

You are credited with an hour of Service for each hour you:

- are directly or indirectly paid or entitled to payment from your Plan Sponsor for the performance of duties for which you are scheduled or expected to work;
- are paid for time during which duties are not performed due to vacation, holiday, illness, incapacity, disability, layoff, jury duty, military duty or leave of absence (not to exceed 501 hours during a single continuous period);
- receive back pay that is awarded or agreed to by your Plan Sponsor; or
- are on a Leave of Absence approved by your Plan Sponsor if you are paid for one hour of service before and after the Leave and you return to work when the Leave is scheduled to end or you retire from the Leave.

If you leave employment with your current Plan Sponsor and are employed by another Plan Sponsor, you will need to meet the requirements of that new Plan Sponsor based on your employment with that Plan Sponsor.

Employment with the previous Plan Sponsor will not be considered in determining whether you've met the service requirement with the new Plan Sponsor.

### **Break-in-Service**

If you incur a Break-in-Service and then return to work with the same Plan Sponsor, your pre-break service may or may not count toward your eligibility to participate in PIP when you return. You will incur a Break-in-Service if you:

- terminate your conference relationship;
- terminate employment; or
- do not return to work when a Leave is scheduled to end.

***If your Break-in-Service was less than one year***, your pre-break Service will count toward your total Service for eligibility purposes. However, you will not receive Service credit during your Break-in-Service.

***If your Break-in-Service is one year or more***, your pre-break Service will not count toward your total Service for eligibility purposes for PIP when you return. You will lose all pre-break Service credited before your termination of employment.



### Active Clergy Appointed to a Conference-Responsible Salary-Paying Unit

Once you are under Episcopal appointment to a Conference-Responsible Salary-Paying Unit (e.g., local church, conference office, district office) and your Plan Sponsor has adopted PIP and elected to make Plan Sponsor contributions, you are eligible for those Plan Sponsor Contributions if you are:

- receiving Compensation;
- on a paid Leave;
- entitled to retirement contributions pursuant to USERRA or the HEART Act;
- receiving disability benefits from CPP, but only if the Conference elects to remit Plan Sponsor Contributions while you are on Medical Leave; or
- on Medical Leave, but only if the Conference elects to remit Plan Sponsor Contributions while you are on Medical Leave.

### Bishops

Once elected as a Bishop, you may be eligible for Plan Sponsor Contributions if the General Council on Finance and Administration (GCFA) elects to make Plan Sponsor Contributions and if you are:

- receiving Compensation;
- on a paid Leave;
- entitled to retirement contributions pursuant to USERRA or the HEART Act;
- receiving disability benefits from CPP; or
- on Incapacity Leave, but only if GCFA elects to remit Plan Sponsor Contributions while bishops are on Incapacity Leave.

### Plan Sponsor Contribution Types

The following table explains the types of Plan Sponsor Contributions that may be offered by your Plan Sponsor.

| Type                              | Explanation   | Example   |
|-----------------------------------|---|---|
| <b>Matching Contributions</b>     | Your Plan Sponsor may choose to contribute a percentage of what you contribute to your PIP Participant Contribution Account. <sup>1</sup>   | Your Plan Sponsor matches 50% of the amount you contribute to your Participant Contribution Account <sup>1</sup> up to 4% of your Compensation (so the maximum match you could receive is 2%). You contribute 5% of your Compensation of \$30,000, or \$1,500, for the year. Your Plan Sponsor will contribute 50% of \$1,200 (4% of your Compensation), or \$600.  |
| <b>Non-Matching Contributions</b> | Your Plan Sponsor may elect to contribute a certain percentage of your Compensation regardless of the amount you contribute.  | Your Plan Sponsor contributes 9% of your Compensation of \$30,000, or \$2,700, for the year to your Plan Sponsor Contribution Account regardless of the amount you contribute.  |
| <b>Conditional Contributions</b>  | Your Plan Sponsor may choose to contribute an amount equal to a percentage of your Compensation if you contribute a required amount or more to your Participant Contribution Account. <sup>1</sup><br><br><sup>1</sup> Excluding Rollover Contributions | Your Plan Sponsor elects to contribute 6% of your Compensation if you contribute at least 3% of your Compensation to your Participant Contribution Account. You contribute 5% of your Compensation of \$30,000, or \$1,500. Since you contribute at least 3%, your Plan Sponsor will contribute 6% of your Compensation, or \$1,800. If you contribute 2% of your Compensation, you receive no Plan Sponsor Contribution. |

| Type                               | Explanation   | Example   |
|------------------------------------|---|---|
| <b>Discretionary Contributions</b> | Your Plan Sponsor may elect to remit a contribution to your Plan Sponsor Contribution Account at its sole discretion. It may or may not elect a contribution from year-to-year. The election often is made after the close of the year. | Because the Plan Sponsor has met its year-end goals (e.g., an increase in new church members), it elects to contribute 9% of your Compensation of \$30,000, or \$2,700. |

Under the terms and conditions of PIP, the Plan Sponsor is limited in the type and amount of contributions it can make to your Plan Sponsor Contributions Account. Your Plan Sponsor will contribute only if it has elected to do so in its Adoption Agreement and only if you satisfy the eligibility requirements and are enrolled in PIP. If you are not eligible to participate, not enrolled or do not remit any required Participant Contributions, you will not receive any Plan Sponsor Contributions.

Your Plan Sponsor is required to remit contributions to Wespath as soon as possible, but in no event later than the due date established by Wespath. If your Plan Sponsor delays in remitting contributions until after this date, your Plan Sponsor may be required to make up the missed or delayed contributions, plus imputed earnings.

## Vesting

Vesting refers to the amount of ownership you have in your PIP Account. If you are 100% vested, you are entitled to your entire Account balance when you are eligible to receive a distribution. You are always 100% vested in your Participant Contribution Account. Your Plan Sponsor Contribution Account is subject to a vesting schedule elected by your Plan Sponsor. If you are not vested or only partially vested in your Plan Sponsor Contributions at your termination, you will receive only the portion of your Plan Sponsor Contribution Account in which you are fully vested, and the remainder will be forfeited.

### **Active Clergy Under Episcopal Appointment to a Church, Conference-Responsible Salary-Paying Unit or Conference-Elective Entity**

You are 100% vested in the contributions and earnings from your first day of participation.

### **Lay Employees, Clergy Under Episcopal Appointment to a Non-Conference Plan Sponsor or Retired Clergy (Whether or not Appointed to the Salary-Paying Unit)**

Your ownership of the Plan Sponsor Contribution Account is subject to a vesting schedule that your Plan Sponsor elects on its Adoption Agreement. The vesting schedule is based upon your Service with that Plan Sponsor. To check which vesting schedule your Plan Sponsor elected, please see *PIP and You*.

Certain events will trigger 100% vesting of your Accounts whether or not you have met the vesting schedule in your Plan Sponsor's Adoption Agreement based on your service. These events are:

- Retirement
- Becoming disabled under your Plan Sponsor's long-term disability plan or the Social Security definition
- Your death, if it occurs before your Termination

## CONTRIBUTION LIMITATIONS AND EXCESS CONTRIBUTIONS

The Code and related regulations contain many complex rules that determine the maximum contributions you and your Plan Sponsor can make to all of your retirement plans. Wespath has summarized the contribution limits; however, we cannot provide tax advice to you. If you contribute an amount greater than the limit, you are responsible for any taxes, penalties or fees assessed by the IRS and any IRS-required adjustments to your prior years' tax liabilities. Your Plan Sponsor is ultimately responsible for monitoring these limits.

### Before-Tax and Roth Participant Contributions Limit

The total of your PIP Before-Tax and/or Roth Participant Contributions, plus any before-tax and/or Roth contributions made to any other defined contribution retirement plans, may not exceed \$23,500 in 2025. The IRS may adjust this limit in later years as allowed under the Code for increased cost of living. If you contribute more than this limit, you may be able to re-characterize your excess contributions as catch-up contributions.

If you would like more information about contribution limits, call Wespath at **1-800-851-2201** or the Internal Revenue Service (IRS). If you have further questions concerning contribution limitations, you may want to consult your personal tax adviser.

### Catch-Up Contributions

#### 15 Years of Church Service

If you have 15 years or more of Service with any organization controlled by or associated with the same denomination (e.g., United Methodist), you may be able to make additional Before-Tax and/or Roth Contributions to PIP. The additional amount cannot exceed the smallest of the following amounts:

- \$3,000 in any calendar year, or
- \$15,000 minus the aggregate of all 15-year catch-up contributions made in all previous years, or
- \$5,000 times your years of Service minus the aggregate of all elective deferrals previously made during such years of Service.

Amounts contributed as 15-year catch-up contributions are exempt from the \$70,000 annual account additions limit (see below).

#### Age 50 Catch-Up Contributions

As of 2024, beginning in the year in which you will reach age 50, you may contribute additional Before-Tax and/or Roth Contributions. The IRS may adjust this limit in later years as allowed under the Code for increased cost of living.

Your total before-tax and Roth contributions for the year to PIP (and any other qualified retirement plans) cannot exceed the lesser of your compensation or the 2025 limits in the chart below.

| Your Age                                    | Total Before-tax and Roth Contribution Limit                         |
|---|--|
| <b>Under age 50</b>                         | <b>\$23,500</b>  |
| <b>Age 50-59</b> by December 31, 2025       | <b>\$31,000</b><br>(includes \$7,500 "catch-up" contribution)        |
| <b>Age 60-63</b> by December 31, 2025       | <b>\$34,750</b><br>(includes \$11,250 "super catch-up" contribution) |
| <b>Age 64 or older</b> by December 31, 2025 | <b>\$31,000</b><br>(includes \$7,500 "catch-up" contribution)        |

**Note:** If you have at least 15 years of service within your denomination, you may be able to contribute a higher amount than the above limits—call Wespath for further information. The Internal Revenue Service requires that, if you are eligible for both the catch-up based on age and the 15 years of service limit, you use the 15 years limit first, before the age-based catch-up limit.

Total personal and plan sponsor contributions (not including “catch-up” or “super catch-up” contributions) to all 403(b) plans sponsored by your plan sponsor cannot exceed the lesser of 100% of compensation or \$70,000 for 2025. **NOTE:** *the clergy housing allowance is excluded from “compensation” for this purpose.*

You cannot withdraw contributions from PIP unless you have a financial hardship as defined under PIP, attain age 59½, are disabled as defined under PIP, retire, terminate employment and/or you are a clergy person and terminate your relationship with your denomination.

### **Annual Account Additions Limit**

Generally, the total amount of your Plan Sponsor Contributions and Participant Contributions, excluding Rollover Contributions, cannot exceed the lesser of the following:

- \$70,000 in 2025 (or as indexed in later years); or
- 100% of your 415 Compensation.

This limit also includes contributions to other Wespath-administered plans, such as CRSP or any other 403(b) plan you or your Plan Sponsor contribute to on your behalf. If the annual contributions to your Accounts exceed either of the limits set forth above, Wespath must follow IRS guidelines to correct, or re-characterize, the excess contributions to PIP or CRSP, including refunding the excess amount to you or your Plan Sponsor. Wespath will first correct your Participant Contributions Account, then your Plan Sponsor Contributions Account. Your Plan Sponsor is responsible for monitoring your total contributions to ensure that you do not exceed the annual IRS limits and for notifying Wespath accordingly.

### **Maximum Compensation**

Highly compensated employees of certain employers may not receive Plan Sponsor or Participant Contributions with respect to Compensation in excess of \$350,000 in 2025 (or as indexed in later years). Contact Wespath for further information regarding affected employers.

## INVESTMENT OF YOUR ACCOUNTS

You may direct the investment of your Participant and Plan Sponsor Contributions into any one or combination of the following investment funds (or such other funds that Wespath may offer) in increments of 1%:

- Stable Value Fund
- U.S. Treasury Inflation Protection Fund
- Inflation Protection Fund
- Social Values Choice Bond Fund
- Fixed Income Fund
- Extended Term Fixed Income Fund
- Multiple Asset Fund
- U.S. Equity Fund
- U.S. Equity Index Fund
- Social Values Choice Equity Fund
- International Equity Fund

The investment funds available in Wespath-administered retirement plans are intended for investors with a long-term time horizon. With the exception of the Stable Value Fund, you may not purchase units in a particular fund for 60 days after selling units in the same fund (this applies only to interfund transfers—not to new contributions, rollovers, loans or withdrawals). Interfund purchases of shares in the Stable Value Fund may be executed at any time.

### Know the Facts

To learn more about available investment funds, including fund objectives, historical performance and benchmarks, check Wespath website at [wespath.org](https://www.wespath.org)

The investment funds pay Wespath's costs of plan administration and investment management by means of a fee, which is subtracted from each investment fund before the returns are credited to Participant Accounts. For specific management fee amounts for each investment fund, please visit the Wespath website or call Wespath.

Instead of electing the specific investments for your Contributions, you may use the services of the LifeStage Investment Management—to manage the investment of your Account. (Please see the "LifeStage Investment Management".)

If you do not make an investment election for your Account, your Account and future Contributions are invested through LifeStage Investment Management.

The investment of your PIP Account will also apply to any other defined contribution accounts in other Wespath-administered plans, such as CRSP, and vice versa. When you make an investment election, it applies to all plans with defined contribution balances for which you are authorized to direct the investments.

Defined contribution accounts are those for which you select the investments. You can direct how your accounts are invested among Wespath's investment funds, or you can allow LifeStage to create a customized portfolio for you. The following are defined contribution accounts, although you may not be a participant in all of the plans:

- Clergy Retirement Security Program (CRSP) Defined Contribution (DC)
- Retirement Plan for General Agencies (RPGA)<sup>1</sup>
- Personal Investment Plan (PIP)
- Horizon 401(k) Plan (Horizon)

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<sup>1</sup> The Retirement Plan for General Agencies (RPGA) was terminated as of December 31, 2024. All RPGA DC balances were transferred to participants' accounts in the Personal Investment Plan (PIP, formerly UMPIP) as of January 2025. RPGA annuities will continue to be paid by a successor defined benefit plan and are not impacted by the termination of RPGA.

All of your defined contribution accounts are invested in the same way. If you elect to use LifeStage, then LifeStage will manage the investment of all of your defined contribution accounts. If you elect to choose which Wespath funds to invest in, all of your defined contribution accounts will be invested in the same funds. For more information about Wespath's funds, visit our website [wspath.org](http://wspath.org) or call Wespath at **1-800-851-2201**.

If you have a MPP Account, your MPP balance must be invested by LifeStage Investment Management.

### **LifeStage Investment Management**

LifeStage Investment Management allocates your Participant and Plan Sponsor Contributions among Wespath investment funds. The asset allocation, or investment mix, represents your individual investment portfolio. It is based on your age, the assets in your Wespath retirement accounts and the answers you may provide to the *LifeStage Personal Investment Profile*.

After determining your investment fund allocation, LifeStage Investment Management manages your defined contribution accounts. As you age or your profile changes, LifeStage adjusts your allocation accordingly. LifeStage will also periodically rebalance your Account to return you to your targeted investment fund allocation when differences in market returns have caused your investment fund allocation to be out of balance. You may elect to use LifeStage, change your profile or discontinue its use via Benefits Access.

### **Making Your PIP Investment Elections**

You may make two types of investment fund changes:

- you may change the way future (new) contributions (including future rollovers and transfers) are invested, without affecting the existing Account investment; and/or
- you may change the way your existing accounts (past contributions and earnings) are invested, without affecting new contributions.

To change your investment fund choices, you can visit Benefits Access at [benefitsaccess.org](http://benefitsaccess.org). Benefits Access allows you to access information about your PIP Account and make changes 24 hours a day, seven days a week.

If you have not yet registered for Benefits Access, click “**New User Registration**” and follow the prompts.

### **Keeping Track of Your Accounts**

You can access your account information and quarterly statements in Benefits Access ([benefitsaccess.org](http://benefitsaccess.org)). Quarterly statements show contributions, any applicable earnings or losses, and other transactions during the quarter.

### **Sustainable Investment**

As the trustee of the largest denominational pension fund in the United States, Wespath strives to maximize the financial, social and environmental value of its investments. Towards this end, it actively exercises its ownership through shareholder engagement, proxy voting, portfolio screening and community investing.

All of the investment funds adhere to sustainable investment guidelines, directed by the *Social Principles* of The United Methodist Church, as outlined in *The Book of Discipline*.

Through sustainable investment, Wespath fulfills its mandate to influence corporations, whose stock Wespath owns, toward greater environmental, social and governance (ESG) responsibility. Wespath's sustainable investment approach also excludes investments in certain companies that do not align with United Methodist Church values, notably those that are substantially engaged in businesses involved in pornography, gambling, alcoholic beverages, tobacco, weapons or prison facilities.

Sustainable investing considers the financial, social and environmental aspects of investment decisions. Investments are made in alignment with values, aiming not only for a healthy financial bottom line, but also for positive social and environmental impacts.

## ACCESS TO YOUR ACCOUNTS BEFORE RETIREMENT OR TERMINATION

There are different times at which you may access your Accounts, each of which may impact your financial security in retirement. Before you elect to receive a loan or withdrawal, Wespath recommends that you seek financial, tax and/or legal advice to help you understand the consequences.

You may access your Accounts by requesting the following:

- Hardship loan
- Hardship withdrawal from your Participant Contribution Account
- In-service withdrawal from your Participant Contribution Account upon attaining age 59½
- In-service withdrawal from your Rollover Account
- Early distribution of a portion or all of your Accounts due to disability
- Withdrawal from your Participant Contribution Account or Rollover Account due to qualified military duty

The following is a summary of the requirements for loans and various types of withdrawals. Please remember that the loan or withdrawal is subject to rules and the use of forms established by Wespath. If you decide to take a loan or withdrawal, please contact Wespath for up-to-date information on the rules and applicable forms.

Please consider each loan or withdrawal type carefully and be sure to understand the impact on your financial security in retirement. Also, remember to contact Wespath for the up-to-date rules and forms.

### Hardship Loans

When you take a loan from your PIP Account, you are essentially borrowing from yourself and paying yourself back with interest. Remember, however, that the money you borrow will not provide investment earnings until it is repaid. As a result, your Account balance may be significantly reduced compared to what it would have been had you not taken a hardship loan.

You may request a loan only for the hardship reasons listed below:

- to meet certain unreimbursed medical expenses for you, your Spouse, your dependents or your named primary Beneficiary for this plan;
- to purchase a residence for yourself (excluding mortgage loan payments);
- to pay tuition and related educational fees (including room and board) for post-secondary education for you, your Spouse, your dependents or your named primary Beneficiary for this plan;
- to prevent your eviction from or foreclosure on your principal residence;
- to pay for the repair of damage to your principal residence that qualifies for a casualty deduction;
- to pay for funeral or burial expenses for your deceased parent, your Spouse, your dependent or your named primary Beneficiary for this plan;
- to pay expenses related to any disaster that has been declared by the President of the United States, the governor of any state or Wespath; or
- to pay the costs of any other immediate and heavy financial need affecting you.

The maximum loan amount available is the least of:

- 50% of your total vested Account balance, excluding any QVEC;
- \$50,000 reduced by your highest outstanding loan balance in any 403(b) plan sponsored by your Plan Sponsor during the preceding 12 months; or
- your Participant Contributions Account balance, excluding any QVEC Account, if you are not Retired.



Regardless of your Account balance, the loan amount you request cannot exceed the amount needed to meet your financial hardship. The minimum loan amount is \$1,000.

Wespath maintains a loan policy that includes the application, payment and default rules. The following is a summary of the current policy. At any time, Wespath has the authority to change the loan policy.

### **Applying for the Loan**

You may apply for a loan with respect to your Account with any Plan Sponsor by completing a loan application. If you are a Lay Employee or a Retired Clergy person, you may only have one outstanding loan from each Plan Sponsor. In general, if you are a Clergy person, you may only have one outstanding loan unless you are or have been appointed to a non-Conference-Responsible Salary-Paying Unit. In that case, you may be eligible for a loan from PIP Account balances accrued while serving that appointment, as well as PIP Account balances accrued while serving a Conference-Responsible Salary-Paying Unit. If you wish to borrow from Accounts relating to more than one Plan Sponsor, call Wespath for more information on consolidating Accounts. There is a \$50 non-refundable application/loan processing fee, which is deducted from your PIP Account balance. (This fee is subject to change.)

If you would like to model a loan or request a loan application to determine how much you can borrow and your repayment terms, log on to Benefits Access or contact Wespath at **1-800-851-2201** for additional information.

Upon approval of your completed loan application, Wespath will process your application. If the application is approved, we will mail a loan check to you (or, if elected, deposit it in your bank account) within 30 days. Once you pay off a loan, you are eligible to request a new loan immediately following your repayment date. As noted earlier, however, a loan balance during the previous 12 months may reduce the loan amount for which you qualify.

### **Repaying the Loan**

Your loan will bear a reasonable rate of interest based on market rates at the time of your loan. When you take a loan, the interest rate is fixed for the full term of the loan. Your monthly repayments, both principal and interest, are deducted from your checking or savings account via electronic funds transfer (EFT) and are remitted to Wespath. Loan repayments are returned to your PIP Account and invested according to your investment election on file or, if you have elected LifeStage, according to your target allocation.

The repayment period may be up to five years. However, if the loan is for the purchase of your primary residence, your repayment period may extend for as long as 15 years. You may prepay all or a portion of the outstanding principal (and interest due) in full at any time without penalty (by money order, cashier's check or certified check).

If you terminate employment or Retire, you may choose to repay the outstanding loan balance immediately or to continue loan payments over the term of the loan via EFT. However, if you elect to take a full distribution of your vested Account balance or if your balance (including the outstanding loan balance) is subject to an automatic distribution, you must pay the outstanding loan prior to the distribution. If you do not repay the loan, the outstanding balance will be defaulted and become a taxable distribution to you. If you are under age 55 when you terminate or Retire, this amount may also be subject to a tax penalty. Upon your death, if your Beneficiary is your Spouse, he or she may choose to repay any outstanding loan balance according to the terms of the loan. Otherwise, the balance will default and become a taxable distribution. A non-Spouse beneficiary may not continue loan repayments and must repay the entire outstanding loan balance plus any outstanding interest in one payment or the balance will default.



## Loan Defaults

If you do not repay your loan according to the terms of the loan, the loan is considered to be in default. A loan is subject to default if there is at least one outstanding payment on the last day of the second month of the quarter following the quarter in which the payment was due. Defaulting on your loan has several consequences:

- The IRS treats your outstanding loan balance plus unpaid interest as a taxable distribution to you
- The IRS's 10% penalty tax on early distributions may apply (please see the "10% Federal Excise Tax" section on page 36)
- Wespath will issue an IRS Form 1099-R to you and to the IRS indicating the amount of the taxable distribution
- For Lay Employees and Clergy at non-Conference-Responsible Salary-Paying Unit, future loans from PIP with respect to that organization's Account balances will never again be available to you
- For Clergy at a Conference-Responsible Salary-Paying Unit, future loans are not available from any PIP Account resulting from Service at any Conference
- You will be responsible for paying applicable taxes, including any penalties that may apply

## Hardship Withdrawals

You may be eligible for a hardship withdrawal of your Before-Tax Contributions and/or Roth Contributions (excluding earnings thereon), After-Tax Participant Contributions and QVEC Contributions if you have a financial hardship while you are an eligible Clergy person or Lay Employee. However, neither your Plan Sponsor Contributions nor the earnings on them are eligible for hardship withdrawals. Unlike hardship loans, you cannot repay hardship withdrawals to PIP. Hardship withdrawals of Before-Tax Contributions and related earnings are considered taxable income. Since Roth Contributions have been taxed, they are not taxable upon distribution. However, the distribution of earnings related to Roth Contributions may be taxable if it is a non-qualified distribution. See "Taxation Considerations" section for more information. A 10% early withdrawal excise tax may also apply. (Please see the "10% Federal Excise Tax" section on page 36.)

Generally, a financial hardship exists if a withdrawal is required because of certain immediate and heavy financial needs. In addition, you must be able to prove and to certify that this financial need cannot be met by any other reasonably available sources. This will include exhausting funds available through savings, conventional loans and loans from PIP or other retirement vehicles in which you participate. The amount of your withdrawal request may not exceed the amount needed to meet the hardship, plus any tax liabilities you would incur as a result of the distribution.

You may request a hardship withdrawal for any of the following reasons:

- to meet certain unreimbursed medical expenses for you, your Spouse, your dependents or your named primary Beneficiary for this plan;
- to purchase your principal residence (excluding mortgage loan payments);
- to pay tuition and related educational fees (including room and board) for post-secondary education for you, your Spouse, your dependents or your named primary Beneficiary for this plan;
- to prevent your eviction from or a foreclosure on your principal residence;
- to pay for the repair of damage to your principal residence that qualifies for a casualty deduction;
- to pay for funeral or burial expenses for your deceased parent, your Spouse, your dependent or your named primary Beneficiary for this plan; or
- to pay expenses you have incurred due to Federal Emergency Management Agency (FEMA)-declared disasters.

## Applying for a Hardship Withdrawal

You may request a withdrawal by completing a *Personal Investment Plan Hardship Withdrawal Application* indicating the reason for the financial hardship. Only the hardship reasons listed on the application qualify you for a hardship withdrawal. Once this application has been submitted, Wespath will determine your eligibility to receive a hardship withdrawal. You may request information and an application online at [wespath.org](http://wespath.org), or by contacting Wespath at **1-800-851-2201**.

## **Rollover Account Withdrawal**

If you have rolled over your account balances from another retirement plan or IRA to PIP (see the “Rollover Contributions” section on page 13), you will have a Rollover Account. You may withdraw all or part of your Rollover Account for any reason.

## **In-Service Withdrawal Upon Attaining Age 59½**

When you reach age 59½, you may withdraw all or part of your Participant Contributions Account for any reason. Your withdrawal request is subject to the rules adopted by Wespath regarding the form and the frequency of the withdrawals. Generally, your distribution is not subject to a 10% early withdrawal penalty for federal income taxes. However, you should check with your tax advisor before electing to receive a distribution.

## **Qualified Military Reservist Withdrawal**

If you are a reservist called to active duty on or after September 11, 2001 for a period of at least six months and are still on active duty, you may withdraw all or part of your Participant Contributions Account. You must submit a copy of your military orders along with the appropriate Wespath form. This distribution is not subject to a 10% early withdrawal penalty for federal income taxes.

## **Qualified Military Withdrawal**

If you are on qualified military leave (as defined in Section 101 of Title 37 of the United States Code) for a period of at least 30 days and are still on active duty, you may withdraw all or part of your Participant Contributions Account. You must submit a copy of your military orders along with the appropriate Wespath form. This distribution may be subject to a 10% early withdrawal penalty for federal income taxes. In addition, any Before-Tax, Roth and After-Tax Contributions will be suspended for six months.

## **Early Distribution Due to Disability**

You may elect to receive a distribution if you satisfy the definition of disability for the different types of contributions. To receive a distribution, you must complete and return an *Application for Benefits for Disability* to Wespath. You may be asked to provide documentation or a certification of your disability in order for Wespath to determine your eligibility to receive a distribution.

## **Plan Sponsor Contribution Account**

If you are disabled under your Plan Sponsor’s disability plan or the Social Security disability definition, or, if you are a Clergy person and you are placed on Medical Leave by your Conference, you may request a distribution of your Plan Sponsor Contribution Account. The distribution may be subject to a 10% early withdrawal penalty for federal income taxes depending upon the severity of the disability. If you satisfy one of the exemptions from the penalty, including being disabled as defined by the Code, the IRS may require you to complete an IRS form to apply the exemption.

## **Participant Contribution Account**

### ***Rollover, After-Tax and QVEC Contribution Account***

If you are disabled under your Plan Sponsor’s disability plan or the Social Security disability definition, or, if you are a Clergy person, you are placed on Medical Leave by your Conference, you may request a distribution of your Rollover, After-Tax or QVEC Contribution Accounts. The distribution may be subject to a 10% early withdrawal penalty for federal income taxes depending upon the severity your disability.

### ***Before-Tax and Roth Contribution Accounts***

To withdraw amounts from your Before-Tax Contribution or Roth Contribution Accounts, you must be permanently disabled and not expected to recover within the meaning of Code sections 403(b)(11)(A) and 72(m)(7). You are considered permanently disabled for distribution purposes if you are unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or to be of indefinite duration. You are responsible for satisfying any applicable IRS Regulations under Code section 72(m)(7).

## DISTRIBUTION OF YOUR ACCOUNTS

You are eligible to receive a distribution of your Accounts upon:

- Termination of:
  - Conference membership if you are a Clergy person
  - Employment at your Plan Sponsor if you are a Lay Employee
- Retirement

If you are a Lay Employee who terminated employment with one Plan Sponsor but who is employed by a different Plan Sponsor, you may not receive a distribution from your current Plan Sponsor Accounts. However, you may receive a distribution from your Accounts related to previous Plan Sponsors with whom you have terminated employment. Clergy persons must terminate their conference memberships before they are entitled to any distributions on account of termination.

If you die before you receive a complete distribution of your Account, i.e., if there is an Account balance upon your death, Wespath will distribute your Account to your Beneficiary.

If your PIP Account plus the value of all your other Wespath-administered retirement plans (including defined benefit plans) total more than \$5,000 at the time you terminate employment or, for Clergy, at the time you terminate your Conference relationship or Retire, you may choose to leave your Account balance in PIP until a later date or you may choose to receive a distribution at any time after you terminate or Retire. If you do not request a distribution of your PIP Account, it will continue to share in PIP's investment returns on a tax-deferred basis until it is paid to you. When you are ready to receive a distribution, you must contact Wespath for an *Application for Benefits*. You will need to complete the application and return it to Wespath. (Please see the "Claims and Appeals" section on page 33.)

If the total aggregate value of your Wespath-administered plans exceeds \$1,000 but does not exceed \$5,000 and you do not request a lump-sum distribution or a rollover to another eligible plan or IRA, Wespath will automatically roll over your Account to an IRA provided by a custodian designated by Wespath.

If the total value of your Wespath-administered plans at termination of employment is \$1,000 or less and you do not request a distribution or a rollover to another eligible plan or IRA, Wespath will automatically pay your Account to you as a single-sum distribution as soon as administratively feasible after you terminate or Retire. In all cases, you must receive a minimum distribution by your Required Beginning Date and further Required Minimum Distributions (RMDs) thereafter. (Please see the "Required Minimum Distributions" section on page 29.)

### Death

Your PIP Account is payable to your Beneficiary (please see the "Beneficiary Designation" section on page 10) if you die before benefit payments begin to you or before your entire Account is paid out to you. In each case, Wespath must pay your Account to your Beneficiary in accordance with the Code's Required Minimum Distribution rules.

### Death Before You Begin Receiving Benefits

#### Spousal Beneficiary and Eligible Designated Beneficiary Options

If your Beneficiary is your Spouse or is an Eligible Designated Beneficiary, after your death, your Spouse or Eligible Designated Beneficiary may elect to:

- receive payment immediately;
- receive payment over his or her remaining life expectancy (must be elected within the calendar year following your death);
- request a direct rollover to another qualified plan or IRA (as long as the Account balance is greater than \$200), **OR**
- defer payment until December 31 of the calendar year containing the tenth anniversary of your death. If this is elected, the entire balance is treated as an RMD in the 10<sup>th</sup> year and is not eligible for rollover.

If you die before your Required Beginning Date and your Spouse's required beginning date is on or after 1/1/2025, and your spouse is the *sole* Beneficiary of your retirement accounts and has not begun receiving RMDs, your Spouse's RMDs will be calculated using the Uniform Lifetime Table and your Spouse's remaining life expectancy, generally resulting in smaller RMDs.

In addition, if your Beneficiary is your Spouse, after your death, your Spouse may elect to defer payment no later than the Required Beginning Date in the chart below:

| If the deceased participant's <b>Birth Date</b> was... | Your Surviving Spouse's Required Beginning Date is December 31 of the year after the year of the participant's death, or December 31 of the year they would have reached this age, whichever is later: |
|--|--|
| Before July 1, 1949                                    | 70 ½   |
| July 1, 1949 - December 31, 1950                       | 72   |
| January 1, 1951 - December 31, 1959                    | 73   |
| On or after January 1, 1960                            | 75   |

If your surviving Spouse or Eligible Designated Beneficiary dies before receiving the distribution of your entire Account, Wespeth will pay your surviving Spouse's or Eligible Designated Beneficiary's Beneficiary within 10 years of your surviving Spouse's or Eligible Designated Beneficiary's death.

**Non-Spousal Beneficiary who is not an Eligible Designated Beneficiary**

If you die before your Required Beginning Date, your non-Spousal Beneficiary who is not an Eligible Designated Beneficiary may choose to:

- receive payment immediately; or
- defer payment until as late as December 31 of the calendar year of the tenth anniversary of your death.

If your Beneficiary is your estate or another non-individual, such entity may elect to receive your remaining benefits in a lump sum or to defer payment until as late as December 31 of the calendar year of the fifth anniversary of your death. In the case of certain trusts whose only beneficiaries are one or more individuals who are Eligible Designated Beneficiaries, the trust may receive direct distributions over the life expectancy of the individual with the longest life expectancy (must be elected within the calendar year following your death).

Your non-spousal Beneficiary who is not an Eligible Designated Beneficiary may request a direct rollover into another qualified plan or IRA (as long as the Account balance is greater than \$200 and the amounts to be rolled over are not RMDs). If your surviving non-spousal Beneficiary who is not an Eligible Designated Beneficiary dies before receiving the distribution of your entire Account, Wespeth will pay the balance to his or her Beneficiary.

## Death After You Begin Receiving Benefits

If you die after your Required Beginning Date, your surviving Spousal Beneficiary or Eligible Designated Beneficiary may elect to receive payment immediately in a lump sum or to receive payment over the longer of what remains of your life expectancy at the time of your death or your surviving Spouse's or Eligible Designated Beneficiary's life expectancy. Non-spouse Beneficiaries who are not Eligible Designated Beneficiaries may elect to receive payment immediately in a lump sum or to receive payment by December 31 of the calendar year of the tenth anniversary of your death.

If your Beneficiary is your estate or another non-individual, such entity may elect to receive your remaining benefits in a lump sum or to defer payment until as late as December 31 of the calendar year containing the fifth anniversary of your death. In the case of certain trusts whose only beneficiaries are one or more individuals who are Eligible Designated Beneficiaries, the trust may receive direct distributions over the life expectancy of the individual with the longest life expectancy.

If your Beneficiary chooses not to receive an immediate payment of your Account, he or she may name a Beneficiary to receive payment in the event of his or her death. (Please see the "Beneficiary Designation" section on page 10).

## Required Minimum Distributions (RMDs)

You must begin receiving RMDs from your Account by your Required Beginning Date according to the following chart:

| If your <b>Birth Date</b> is...     | Your <b>Required Beginning Date</b> is April 1 after the year you retire or April 1 after the year in which you reach the age below, whichever is later: |
|-------------------------------------|--|
| Before July 1, 1949                 | 70 ½   |
| July 1, 1949 - December 31, 1950    | 72   |
| January 1, 1951 - December 31, 1959 | 73   |
| On or after January 1, 1960         | 75   |

For each subsequent year (and possibly the year of your initial distribution), you must receive an RMD by December 31 of that year. **Effective January 1, 2024**, Roth accounts and Roth rollover accounts are no longer subject to RMD rules while the participant is alive.

If you have a PIP Account related to a former employer, you may be required to take minimum distributions from that Account, even though required distributions from your current Account are deferred until you Retire from your current employer.

To satisfy the RMD requirements, you must receive an amount that would be distributed proportionately over your expected lifetime (or the expected lifetimes of you and your Spouse or Eligible Designated Beneficiary) or at a faster rate. Distributions over your expected lifetime may be accomplished by electing LifeStage Retirement Income or self-managed retirement income, described in the following section. Wespath may need to make an additional payment to you, if necessary, to meet the RMD requirement for that year. The amount of the RMD is determined by IRS regulations, which are subject to change. If you do not request a distribution that satisfies the RMD rules by the Required Beginning Date, Wespath may automatically distribute the minimum amount to you. Although Wespath may distribute the amount to you, you are solely responsible for satisfying IRS rules and regulations.

Receiving an RMD is a very important responsibility under the Code. The Code requires that you receive a minimum amount by a certain date. If you do not take a minimum distribution, the IRS may impose a penalty of up to 25% of the amount that you should have taken. Consequently, it is important that you understand the IRS rules and regulations. Because Wespath cannot provide tax advice, we suggest that you contact the IRS or seek the advice of a financial planner, estate planner, tax adviser or attorney. Please refer to the RMD brochure at [wespath.org/r/rmd](https://wespath.org/r/rmd) that summarizes the RMD rules, how to evaluate your options and what you need to do to start receiving payments.

## Forms of Payment

PIP offers a choice of distributions from your Participant Contributions or Plan Sponsor Contributions Accounts. These are:

- retirement income (also known as cash installments);
- lump-sum distribution; and
- partial-sum distribution.

Once you are eligible to receive a distribution (please see the “Distribution of your Accounts” section on page 27), you may elect one of these choices.

## Retirement Income (also known as cash installments)

Retirement income is a series of distributions taken from your Account on a monthly or annual basis. Your Account continues to be subject to investment gains, losses and expenses while you are receiving retirement income payments. Retirement income payments are subject to rules established by Wespath and RMD regulations.

### LifeStage Retirement Income

LifeStage Retirement Income is an optional program that manages monthly retirement income payments from Wespath-administered defined contribution (DC) retirement accounts. The monthly payment amount automatically adjusts for annual cost-of-living increases, and is based on your age, remaining account balance and other factors, with the goal of providing monthly income for your lifetime (and survivor’s lifetime, if applicable).

Enrolling in LifeStage Retirement Income moves your DC account balances (including the 35% non-annuitizable portion of the Ministerial Pension Plan [MPP]) into a single Personal Investment Plan (PIP) account. You can then choose how much to include in LifeStage Retirement Income, with the account balance managed by LifeStage Investment Management. Any PIP account balance excluded from LifeStage Retirement Income can be self-managed or you can use LifeStage Investment Management. You can also transfer money between LifeStage Retirement Income and your PIP account at any time. When money is transferred into or out of LifeStage Retirement Income, your next monthly retirement income payment will be adjusted to reflect the transaction.

LifeStage Retirement Income has two optional, customizable features:

- **The Social Security Bridge**, which bridges the financial gap that would occur if you chose to delay the start date of Social Security benefits—a decision that could boost your Social Security benefits by 8% each year you delay, up to age 70. This decision would apply a larger portion of your balance as income early on, then reduce the amount paid from LifeStage as Social Security starts. You may be eligible to select the Bridge if:
  - You are not already receiving Social Security
  - You did not opt out of Social Security
  - You have enough money in LifeStage Retirement Income to support it
  - You are younger than 70 years old
- **Longevity Income Protection**, which is a deferred annuity contract provided by a Wespath-selected insurance company. You can use a portion of your LifeStage Retirement Income funds when you enroll to purchase Longevity Income Protection. This annuity guarantees retirement income payments starting at age 80, regardless of how long you (and, if applicable, your spouse) live. The purchase is final, and the contract cannot be revoked. The contract does

not include a refund of premium if you and your spouse die before the payments start. Income tax withholding is applied once your monthly annuity payments begin. You are eligible to purchase Longevity Income Protection if:

- You are a retiree or surviving spouse at least 55 years old, or a terminated participant or alternate payee at least 61 ½ years old
- You are younger than RMD age (generally between age 72 and 75, depending on your birth date)
- You have sufficient funds to support it

If you are married at the time you purchase Longevity Income Protection, 70% of your monthly payment is paid to your surviving spouse upon your death, provided you were married to the surviving spouse at the time of purchase.

If your marital status changes after the purchase of the annuity, then one of the following situations applies:

- **If you were married when the deferred annuity was purchased:**
  - If a divorce occurs during the deferral period, the joint life policy of the deferred annuity will be converted to a single life policy for you only in the absence of a Qualified Domestic Relation Order (QDRO).
  - If Wespath receives a separate interest QDRO that seeks to divide the benefits paid by the deferred annuity, the QDRO will be honored and two separate deferred annuities will be issued to the two individuals over their single lifetimes, with the division percentages being based on the QDRO language. Wespath will administer the QDRO and provide direction to the insurance company on how to divide the deferred annuity. (i.e., division percentages).
- **If you were single at the time the deferred annuity was purchased:**
  - If you get married during the deferral period, the deferred annuity cannot be reissued over joint lifetimes. It will remain a single life policy for you only.

You can learn more about LifeStage Retirement Income at [www.wespath.org/r/lisri](http://www.wespath.org/r/lisri). You can elect LifeStage Retirement Income to manage your distributions at [benefitsaccess.org](http://benefitsaccess.org).

### **Self-Managed Retirement Income**

You can also elect to manage your own retirement income payments. You may elect a specific payment amount to be paid each month or year or the expected period of distribution (which will establish the monthly or annual payment amount based on your Account balance at the time of each payment).

If you elect a specific dollar amount, your retirement income payments will continue until you change your election or until your entire Account is distributed. If you elect a specified period for your distributions, your payments may vary in amount, depending on your investment returns, so that your Account balance will be completely distributed at the end of the period you named.

### **Partial Lump Sum Distribution**

You may not want to receive a single-sum distribution due to the tax consequences and loss-of-earnings potential. Instead, you may want to receive a lesser amount to meet your current financial needs. If so, you may elect a partial-sum distribution. This form of payment is available to you up to the value of your vested Account. If you have attained your Required Beginning Date, you must elect partial-sum distributions at least equal to the RMD each year. (Please see the “Required Minimum Distributions” section on page 29.)

### **Single Sum (or Lump Sum) Distribution**

You may elect to receive one cash payment (single sum or lump sum) equal to your vested Account balance valued as of the Accounting Date coinciding with or immediately before the date of distribution.



## Electing Your Benefits

You may elect your benefits by logging onto **benefitsaccess.org** or completing an application for benefits; however, LifeStage Retirement Income must be elected online. If you make your elections online and have Account balances in other Wespath-administered defined contribution retirement plans [e.g., Horizon 401(k) Plan or Clergy Retirement Security Program (CRSP)], these accounts will be consolidated into PIP and your election will apply to the consolidated balance. You may maintain separate Account balances for each plan and make separate benefit elections by manually completing application for benefit forms.

## Trailing Account Balances

A trailing Account balance occurs when there is a delayed contribution or other credit to your Account after Wespath has distributed your entire Account balance. If the trailing Account balance is less than \$200, you will automatically receive the payment as a lump-sum distribution. If the trailing Account balance is greater than or equal to \$200, Wespath will automatically distribute it in the same form of payment that was applied to your previous distribution.

Although PIP does not offer annuity distributions, you may purchase an annuity from a commercial annuity provider with a PIP lump-sum rollover. Contact Wespath for more information.

## Eligible Rollover Distribution

You may roll over part (at least \$200) or all of your Eligible Rollover Distribution into another eligible retirement plan, such as a Code section 403(b) plan, 401(a)/401(k) qualified plan, 457 deferred compensation plan, traditional IRA or Roth IRA. It is your responsibility to determine if the other plan accepts rollovers. When PIP's trustee directly rolls an amount to another eligible plan or IRA, you will not be subject to immediate taxation or tax withholding on the amount of the rollover. However, conversions to a Roth IRA may be taxable at the time you file your tax return for the year of the distribution.

When an Eligible Rollover Distribution is made payable to you, it is subject to an automatic 20% federal income tax withholding. If you wish to roll over the entire amount of the Eligible Rollover Distribution, you will have to substitute money from another source to make up for the 20% that was withheld. If you do not substitute money and roll only the 80% you received to the other plan or IRA, then the 20% of your distribution withheld will become a taxable distribution at the end of the 60-day rollover period. The 20% amount will be subject to ordinary income tax and possibly a 10% early withdrawal penalty. To avoid the 20% withholding, you may use a direct rollover (see the preceding paragraph).

Eligible Rollover Distributions may also be subject to state income tax withholding, which may also be deferred by the use of a direct rollover. The rules differ from state to state. You will receive more information and a form upon which to indicate your elections regarding state income tax withholding at the time of a distribution.

Not more than 180 days before you receive a distribution, Wespath will provide you with a written notice describing your right to a direct rollover and the tax consequences of your distribution or rollover. Wespath cannot process distributions until 30 days after you receive the notice unless you waive the 30-day notice period online or in writing. As the notice will describe in greater detail, some distributions are not eligible for rollover. If you are unsure whether you can roll a distribution out of (or into) PIP, contact Wespath or the administrator of the other plan or IRA.

***The housing allowance exclusion available to clergy may no longer apply to funds rolled out of a Wespath-administered UMC retirement plan into an IRA, a retirement plan not administered by Wespath or to a non-UMC church retirement plan administered by Wespath. Clergy may risk losing the housing allowance exemption on their Wespath-administered UMC account balance after the rollover.*** Please consult with your tax adviser for more detailed information on this exclusion from taxable income.



## CLAIMS AND APPEALS

Once eligible, you or your Beneficiary may apply for a distribution from your Account by completing forms provided by Wespath. For more information on the appropriate forms to complete and the choices available to you, contact Wespath at **1-800-851-2201**. You or your Beneficiary must file your claim for benefits within one year after the later of:

- when the events giving rise to the claim occurred; or
- when you knew or should have known of the facts or events giving rise to the claim.

If you do not file your claim within the timeframe above, the claim will be deemed to be irrevocably waived. If you or your Beneficiary does not claim benefits sooner, they must be claimed by your Required Beginning Date. (Please see the “Required Minimum Distributions” section on page 29.) Failure to do so could result in the forfeiture of PIP benefits.

### Denial of the Application or Claim

If Wespath denies a claim for benefits under PIP, we will notify you or your Beneficiary in writing. The notice will:

- describe the specific reasons for the denial;
- cite PIP provisions on which the denial was based; and
- explain the appeal procedures.

You will receive this notice no more than 45 days after filing the original claim or 45 days after the request for or submission of additional materials requested by Wespath. Under special circumstances, an additional 90 days may be necessary to respond to the claim.

There are three steps in the appeal process: an initial appeal, an intermediate appeal and a final appeal.

#### Initial Appeal

If Wespath denies your claim for benefits, in whole or in part, you may request a review of the decision by filing a Notice of Initial Appeal with the Initial Appeals Committee. You must file the notice within 90 days after the date of the letter denying your claim for benefits. You may submit facts and supporting documentation relevant to your appeal. If the notice is not filed in a timely manner, Wespath’s decision to fully or partially deny your claim for benefits will be final.

You, your duly authorized representative or a representative of your Plan Sponsor may request to appear personally or by teleconference call before the Initial Appeals Committee, subject to the conditions and limitations of the Initial Appeals Committee. However, you, your representative or your Plan Sponsor will be responsible for any expenses associated with the appearance.

#### Intermediate Appeal

If the Initial Appeals Committee denies your claim for benefits, in whole or in part, your appeal will be referred to Wespath’s Intermediate Appeals Committee for consideration. The Intermediate Appeals Committee will decide the appeal within 60 days of the decision by the Initial Appeals Committee. The Intermediate Appeals Committee will conduct a review of your intermediate appeal and notify you, in writing, of its decision, the specific reasons for the decision and the provisions of PIP upon which the decision is based.

#### Final Appeal

If your claim for benefits is still fully or partially denied by the Intermediate Appeals Committee, you may request a review of the decision by filing a Notice of Final Appeal with the Final Appeals Committee of Wespath Board of Directors. You must file the notice with the Final Appeals Committee within 90 days after the date on which you receive the Intermediate Appeals Committee’s written decision. You may submit comments and supporting documents to the Final Appeals Committee for its consideration. If the notice is not filed in a timely manner, the Intermediate Appeals Committee’s decision to fully or partially deny your claim for benefits will be final.

To allow sufficient time for handling and processing, you must file the notice and any supporting documents at least 30 days before the Final Appeals Committee's next meeting. Appeals filed fewer than 30 days before a Final Appeals Committee meeting may not be heard until the following meeting (which could be some months later). If special circumstances require an extension of time for processing, Wespath will notify you. Your hearing may be continued upon your request, upon the request of Wespath or at the discretion of the Final Appeals Committee.

You, your duly authorized representative or a representative of your Plan Sponsor may request to appear personally or by teleconference before the Final Appeals Committee, subject to the conditions and limitations of the Final Appeals Committee. However, you, your representative or your Plan Sponsor will be responsible for any expenses associated with the appearance.

The Final Appeals Committee will conduct a review of your final appeal and send its decision to you within 15 days of the date on which the Final Appeals Committee makes its determination. The Final Appeals Committee's decision will be in writing and will include the specific reasons for its decision and the PIP provisions upon which its decision is based. The Final Appeals Committee's decision is final.

### **Your Responsibilities**

You may not initiate a request for mandatory arbitration with the Plan, Wespath, any of the Claims Administrators or your Plan Sponsor, with respect to any Claim of any kind until you have exhausted the Claims and appeals processes applicable to your Claim. Upon completion of the appeals process, you must initiate the request for mandatory arbitration within 12 months of the date of the written notice from Wespath regarding the final outcome of the final appeal.

If you do not appeal a claim denial within the timeframes noted, you will waive your right to file an appeal or a lawsuit at a later date. If the Intermediate Appeals Committee or the Final Appeals Committee does not make a decision or respond within the timeframes noted, you should consider the claim denied, and you may proceed to the next step of the claims procedure.

### **Mandatory Arbitration**

All Participants agree to be bound by the Plan's mandatory arbitration provisions. A request for mandatory arbitration must be made within 12 months of the date of the written notice from Wespath regarding the final outcome of the final appeal, or such right to seek arbitration will be deemed waived.

## TAXATION CONSIDERATIONS

You may owe taxes on all of the amounts paid to you under PIP plus any outstanding loan balances and unpaid interest.

### Taxes While Your Account Is in PIP

Taxes are deferred on the Before-Tax Contributions you and your Plan Sponsor make to PIP when they are credited to your Account, and any earnings thereon, as long as this money remains in PIP and within your contribution limits. (Please see the “Contribution Limitations and Excess Contributions” section on page 19.) This tax deferral may provide significant advantages to you in increasing the value of your Account, because earnings can compound on amounts not reduced by taxes.

### Taxes When Your Account Is Paid

When you receive a distribution of your Account, the money you receive will be reported to the IRS and, in most cases, your state of residence. You will receive a notice describing the taxability of your distribution from us before the distribution.

### Distributions of Before-tax Contributions and Employer Contributions

Distributions of Before-Tax Contributions, employer contributions and related earnings are subject to tax upon distribution.

### Distributions of Roth Contributions

Qualified distributions from a Roth account are not subject to income tax. A qualified Roth distribution is one that is made on account of:

- your attainment of age 59½,
- your permanent disability, OR
- your death
- AND is made at least five-years after the first day of the plan year during which you made your first Roth contribution to your retirement account.

A non-qualified Roth distribution is one that does not meet the criteria above. Earnings from a non-qualified Roth account will be subject to taxation. Your Roth Contributions were taxed previously and will not be taxed again when a distribution is made.

Most Clergy can qualify for the housing allowance exclusion in accordance with the housing allowance rules of Code section 107. Such Clergy may exclude from their taxable income the least of the following amounts:

- the amount of their pension distribution designated as a housing allowance by their annual Conference,
- their actual costs of providing a home in such year, or
- the fair rental value of their furnished home, plus the annual cost of utilities.

Wespath will send a retirement packet that includes information about the housing allowance exclusion of your Church-service related retirement income to you after we receive your retirement notification.

### Mandatory Withholding

If you receive an Eligible Rollover Distribution but do not roll it over, Wespath is required to withhold 20% of your taxable distribution for federal income taxes. This is true even if you intend to receive the distribution and roll it over into another eligible retirement plan within 60 days.

To avoid the mandatory 20% federal income tax withholding, you may request a direct rollover. If you request a direct rollover, Wespath will pay the distribution directly to the eligible plan or IRA. The portion directly rolled over is not subject to immediate taxation. Any portion not directly rolled over will be subject to mandatory 20% federal income tax withholding.

Wespath is required by federal tax law to withhold 10% from non-periodic (over a period of fewer than 10 years) distributions that are not Eligible Rollover Distributions unless you direct us otherwise. For periodic distributions (over a period of 10 years or more) that are not Eligible Rollover Distributions, Wespath must withhold according to the IRS tax withholding table as though you claimed married with three allowances, unless directed otherwise by you.

Wespath also is required to apply state income tax withholding to your retirement distribution pursuant to the tax laws of your resident state. Based upon the type of distribution and the state in which you reside, you may be able to make a “no-withholding” election for your state taxes. In those cases, it is still your responsibility to pay any state taxes for which you are liable under that state’s tax laws. However, there are some states that require withholding on Eligible Rollover Distributions. In those states, even if you do not provide a state tax withholding election or make a no-withholding election, Wespath is required to withhold and remit state taxes on your behalf.

### **10% Federal Excise Tax**

Your distribution may be subject to a 10% federal excise tax on the taxable portion you receive before you reach age 59½. This tax is sometimes called an excise tax or an early withdrawal penalty. Generally, this additional tax does not apply if the distribution is rolled over to an IRA or another eligible plan, or if payment is made:

- to a Spouse or Beneficiary after your death;
- at age 55 or older after you have terminated employment with your Plan Sponsor or your relationship with your Conference (for Clergypersons) during the year you attained age 55 or later;
- because of total disability as defined in Code section 72(m)(7);
- to an Alternate Payee according to a qualified domestic relations order;
- due to medical expenses that qualify as deductible medical expenses under Code section 213;
- in a series of substantially equal periodic payments made not less frequently than annually for your life or the joint lives of you and your Beneficiary or contingent annuitant;
- as a direct rollover;
- as the distribution of elective deferrals you contributed that exceed the annual limits under Code sections 415 or 402(g); or
- as corrective distributions of excess aggregate contributions.

Tax laws are complex and change often. This SPD contains only a partial discussion of taxes. Because Wespath cannot provide you with tax advice, it is in your best interest to seek the advice of a qualified tax advisor before receiving distributions. This will help ensure that you receive up-to-date information that applies to your own personal tax situation.

## **OTHER INFORMATION YOU SHOULD KNOW**

### **Assignment of Benefits and Qualified Domestic Relations Orders (QDROs)**

Your Account is held for your benefit and may not be sold, assigned, transferred, pledged or garnished under most circumstances, and is not subject to your debts or liabilities. Except as provided below, attempts to alienate, sell, transfer, assign or pledge your Account will be considered void.

However, if you become divorced or separated, certain court orders could require that part of your benefit be paid to someone else—your Spouse, former Spouse or children, for example. These court orders are commonly referred to as qualified domestic relations orders (QDROs). As soon as you are aware of any court proceedings that may affect your PIP benefits, contact Wespath.

When Wespath receives a domestic relations order, Wespath will notify you and send you a copy of the procedures for determining the qualified status of the order. Within a reasonable period of time after the receipt of the order, Wespath will determine whether the order is a QDRO and will notify you and each person named in the order, in writing, of the determination.

If a claim is submitted to PIP with respect to your Account while Wespath is determining whether an order related to your Account is a QDRO, we will suspend payment of all or any portion of your benefits otherwise due until the order is determined to be a QDRO or not. If the order is determined to be a QDRO, any person named to receive benefits under the QDRO (an Alternate Payee) will be assigned the specified portion of your Account with the same rights and responsibilities as a Terminated Participant.

If you are in the process of a divorce or other domestic relations proceeding and would like more information about QDROs or a sample form to give to your attorney, contact Wespath.

All rights provided to a Terminated Participant under PIP will be afforded to an Alternate Payee under a QDRO. A distribution to an Alternate Payee may be permitted even if the affected Participant is not yet eligible for a distribution.

In addition to QDROs, your Account could be garnished, assigned or alienated under an IRS tax levy, for the payment of health plan premiums that you authorize, for the benefit of another plan administered by Wespath if you have received an overpayment under such plan or if you make a voluntary, revocable assignment in writing that is accepted by Wespath after your Account is eligible to be paid to you.

### **USERRA and the HEART Act of 2008**

Contributions, benefits and Service credit with respect to qualified military service will be provided in accordance with Code section 414(u) and the provisions of the HEART Act. If you have had a period of military service during your employment, contact your Plan Sponsor or Wespath to learn whether you qualify for additional Service credit, the right to make Before-Tax, Roth and catch-up contributions, the right to receive Plan Sponsor contributions relating to the period of your military service or the right to take a distribution.

## How Unclaimed, Relinquished or Disclaimed Benefits Can Be Delayed or Forfeited

You are entitled to the vested portion of your PIP Account. This portion is payable to you except in the following circumstances:

- You do not notify Wespath when your (or your Beneficiary's) address changes, and we cannot locate you (or your Beneficiary) when benefits are due (for instance, at your Required Beginning Date or when you terminate employment with an Account balance in all Wespath-administered plans totaling less than \$5,000). In such a case, we will send a notice by certified letter, with return receipt requested, to the last address we have on file. If you fail to contact us within 12 months after the notice, your benefits will be forfeited and become the benefits of your Beneficiary (including any successor or default Beneficiary). If your Beneficiary(ies) fails to contact Wespath within 12 additional months after notification, the benefits will be forfeited and become the benefits of your next successor Beneficiary under the foregoing procedure. If none of your Beneficiaries claims the benefits in a timely fashion, they will be forfeited and used by Wespath to defray administrative expenses of PIP.
- Wespath issues a check for benefits that is not returned or cashed within a reasonable period of time. In such a case, those benefits may be forfeited and used by Wespath to defray the administrative expenses of PIP. Uncashed checks returned to Wespath because the payee is missing or for other reasons are handled as described above (given to your Beneficiary, etc.).
- You relinquish (i.e., permanently renounce) your benefits. In such a case, your relinquished benefits will be forfeited and used by Wespath to defray the administrative expenses of PIP.
- Your Beneficiary Disclaims all or any portion of an Account due, provided that the Disclaimer is in writing in a form acceptable to Wespath and it is done before receiving the benefit. A Disclaimer is a voluntary waiver. The person who Disclaims is treated as having predeceased the Participant enrolled in PIP, and the benefit is paid to the next Beneficiary in line.
- You terminate employment for any reason before your Account balance is 100% vested and incur a one year or longer Break-in-Service. In such a case, you will forfeit—or release your claim to—the unvested portion of your Account balance. If this happens, the forfeited amount will be returned to your Plan Sponsor for use as future contributions for the benefit of other Participants.

Please keep Wespath apprised of your current address and phone number, even after you terminate employment with your Plan Sponsor. If we do not have a current address for you, you risk forfeiting your Account.

## Non-Reversion

All contributions made by Plan Sponsors are irrevocable and cannot be repaid to the Plan Sponsor, except in the situations listed below:

- If the IRS determines that PIP is not qualified under Code section 403(b) or makes some other determination that Wespath believes makes PIP unworkable, provided Wespath does not succeed in challenging that determination, PIP may terminate on notice by Wespath to all participating Plan Sponsors, and all contributions (adjusted for any gains or losses) will be returned to the Plan Sponsors or to the Participants.
- If PIP terminates or if a Plan Sponsor's sponsorship terminates, and there are monies remaining after the satisfaction of all fixed and contingent liabilities under PIP, the monies will revert to the applicable Plan Sponsor.
- If a Plan Sponsor or Salary-Paying Unit makes a contribution by mistake, the Plan Sponsor or Salary-Paying Unit may request its return by sending a written request to Wespath within one year after the contribution was made along with documentation of such mistake. Wespath may then return the mistaken contribution.
- Wespath may also return mistaken contributions on its own within 30 days. If the Plan Sponsor or Salary-Paying Unit does not notify Wespath as described above, the erroneous contribution will be permanently forfeited and used to offset your Plan Sponsor's future contributions to PIP.

## **Bankruptcy and Your PIP Benefits**

Under a revision to the Bankruptcy Code applicable to anyone who files bankruptcy on or after October 17, 2005, your entire Account in a qualified plan, such as this 403(b) plan, is exempt from the claims of creditors in bankruptcy. If you have an outstanding PIP loan, you may continue to repay that loan during and after your bankruptcy proceeding. Contact Wespath for further information.

## **Ineligible Participation**

If you are not eligible to participate in PIP, you will forfeit all rights to the Plan Sponsor Contributions and any earnings that were made during the period of ineligibility. Wespath will refund the Contributions to your Plan Sponsor if your Plan Sponsor notifies us within one year. Any Contributions made more than one year in the past will be used by Wespath to defray the administrative expenses of PIP. Wespath will refund any and all Participant Contributions to your Plan Sponsor, which should refund them to you.

## **If PIP is Terminated or Modified**

PIP may be terminated, suspended or modified at any time. Also, Wespath Board of Directors is authorized to amend PIP at any time, as long as the amendment does not retroactively reduce an accountholder's Account balance or degree of vesting.

In addition, a Plan Sponsor may amend the elective provisions of its Adoption Agreement. The Plan Sponsor also may freeze or terminate its participation in PIP at any time, provided Wespath is properly notified 90 days in advance of the termination date and the Plan Sponsor's Employees are properly notified 30 days in advance of the termination date.

If PIP is terminated, or if your Plan Sponsor freezes or terminates its participation in PIP, your Account will be fully vested and will either remain in PIP or be distributed according to the provisions of PIP. If your Plan Sponsor freezes participation, your PIP Account may be merged, consolidated or transferred to another plan, as described below. If your Account remains with PIP, your Plan Sponsor must notify Wespath when you terminate or Retire. If your Plan Sponsor terminates participation, your PIP Account must be distributed as soon as possible after the termination date. You may take a distribution and/or roll over your account balance to another qualified retirement plan or IRA.

## **If PIP Is Merged, Consolidated or Transferred**

Each Plan Sponsor is entitled to merge its portion of PIP with, consolidate its assets with or transfer its assets to another Code section 403(b) or eligible 401(a) plan, provided that its participation in PIP is properly frozen and that the PIP trustee consents. Your Account will not be reduced because of a merger, consolidation or transfer.

## **Plan Sponsors**

PIP is sponsored by qualifying entities that adopt PIP with the consent of Wespath for the benefit of their Employees, pursuant to Adoption Agreements. A qualifying entity may include the following Code section 501(c)(3) units controlled by or associated with The United Methodist Church or an autonomous affiliated church:

- a local church;
- an annual, provisional or missionary conference;
- a conference board, agency or commission; or
- any other organization eligible to participate in a "church plan."

## **Plan Administrator**

PIP is administered by Wespeth and any successors. The Plan Administrator may be reached at:

1901 Chestnut Avenue  
Glenview, Illinois 60025-1604  
**1-800-851-2201**

In its role as Plan Administrator, Wespeth keeps records for PIP and is responsible for its administration in accordance with its terms. The Plan Administrator has authority and sole discretion to interpret the terms of PIP, develop rules and make determinations on questions that may affect your eligibility for benefits and benefit amounts.

## **PIP Name, Type and Year**

The name of PIP is the Personal Investment Plan. PIP is a program of one or more church-sponsored retirement income accounts within the meaning of Code section 403(b)(9), with the portions of Supplements One and Two that are paying annuities being defined benefit plans, as that term is defined in Code section 414(j). The defined benefit plans are grandfathered Code section 403(b)(9) defined benefit plans under the Tax Equity and Fiscal Responsibility Act of 1982. All other portions of PIP are defined contribution plans, as that term is defined in Code section 414(i).

PIP is intended to be a multiple-employer plan involving more than one Plan Sponsor for the purpose of Code section 401(a)(4) but is intended to be a single-employer plan solely for the purpose of Code section 414(e). PIP is intended to meet the requirements of a "church plan" under Code section 414(e) and to be exempt from the Employee Retirement Income Security Act (ERISA) under ERISA section 4(b) and Code section 410(d) to the extent permitted under those provisions and other applicable laws. PIP is administered on a plan-year basis, beginning on January 1 of each year and ending on December 31 of that same year.

## **Securities Laws**

PIP is a church plan that is not subject to registration, regulation or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code or state securities laws. Similarly, the administrator and the trustee of PIP and the entities maintaining any investment funds under PIP are not subject to those provisions of those Acts or laws. Therefore, Participants enrolled in PIP and Beneficiaries will not be afforded the protection of those provisions.

## **Agent for Service of Legal Process**

Any legal process related to PIP should be served on:

CT Corporation  
208 South LaSalle Street, Suite 814  
Chicago, Illinois 60604

## **PIP Trustee**

All PIP assets are held in a trust, called the Pension Trust of The United Methodist Church, which is qualified under Code sections 501(a) and 501(c)(3), or they may be held in one or more other trusts or insurance contracts. The trustee pays all PIP benefits from the trust. The trustee for PIP is the UMC Benefit Board, Inc., and any successors. The trustee can be reached at:

1901 Chestnut Avenue  
Glenview, Illinois 60025-1604



## GLOSSARY

**Account** means the aggregate of the separate recordkeeping entries maintained by Wespath for the purpose of recording Contributions adjusted for any applicable debits or credits. Any reference to “Account” refers to all of the Accounts maintained in your name under PIP, unless the context otherwise requires.

**Accounting Date** means each business day of each calendar year and any other date upon which your contributions, debits or credits with respect to your Account are made.

**Adoption Agreement** means the agreement executed by your Plan Sponsor and accepted by Wespath as a part of PIP and is the means by which your Plan Sponsor adopts PIP, becomes a Plan Sponsor and specifies any optional provisions.

**Affiliate** means any entity that is:

- a corporation that is a member of the same controlled group of corporations, as defined in Code section 414(b), as your Plan Sponsor;
- a trade or business, whether or not incorporated, under common control with your Plan Sponsor within the meaning of Code section 414(c);
- a member of the same affiliated service group, as defined in Code section 414(m), as your Plan Sponsor; or
- otherwise required to be aggregated with your Plan Sponsor pursuant to Regulations issued under Code section 414(o), but is not itself a Plan Sponsor.

**After-Tax Contributions** mean your Contributions to PIP made in accordance with your election to contribute a portion of your Compensation after income taxes are withheld, but not as Roth Contributions.

**Alternate Payee** means your Spouse, former Spouse, child or other dependent entitled to receive a portion of your Account under a qualified domestic relations order (QDRO).

**Automatic Contribution Escalation** means a Plan Sponsor election to automatically increase your Before-Tax Contributions to PIP for you, if eligible, each year by a specified percentage unless you elect otherwise. Your Plan Sponsor also elects the maximum percentage to which Contributions will increase and the month in which annual increases will occur. Your Plan Sponsor will automatically reduce your Compensation by the increased amount of Before-Tax Contributions. Your Plan Sponsor will remit the amount withheld to your PIP Before-Tax Contributions Account.

**Automatic Enrollment** means your Plan Sponsor election to automatically begin Before-Tax Contributions to PIP for you, if eligible, unless you elect otherwise. Your Plan Sponsor will automatically reduce your Compensation by the amount it elected on its Adoption Agreement. Your Plan Sponsor will remit the amount withheld to your PIP Before-Tax Contributions Account.

**Before-Tax Contributions** mean your Contributions to PIP in accordance with your election to contribute a portion of your Compensation before taxes are withheld. Compensation contributed to PIP on a before-tax basis will not be taxed until it is distributed from PIP.

**Beneficiary** means the person(s) (including an estate) to whom Wespath will pay your PIP Account if you die before receiving a distribution of your entire Account.

**Beneficiary Designation form** means the form on which a Participant, Terminated Participant, Beneficiary or Alternate Payee specifies his or her Designated Beneficiary for acceptance by Wespath.

**Break-in-Service** means a period of time beginning on the day you terminate employment, terminate your Conference relationship or Retire from a Plan Sponsor and ending on the day you are re-employed by the same Plan Sponsor.

**The Book of Discipline** (“the *Discipline*”) means the body of church law established by the General Conference of The United Methodist Church, as amended from time to time.

**Clergy or Clergy person** means a person who is:

- a bishop;
- an elder or deacon in full connection, a provisional member or an associate member of a Conference who is not currently in the retired relation;
- a full-time, part-time or student local pastor (as defined in the *Discipline*); or
- a clergy person of another denomination who is under Episcopal appointment within a Conference pursuant to ¶346.2 and ¶346.3 of the *Discipline*, provided such person is not participating in a pension program of the denomination to which he or she belongs.

**Code** means the Internal Revenue Code, as amended from time to time, and any regulations, rulings or other administrative guidance issued pursuant thereto by the Internal Revenue Service.

**Compass Retirement Plan** means The Church-provided pension plan available for eligible Clergy of The United Methodist Church

**Compensation for Clergy eligible to participate in the Clergy Retirement Security Program** means the sum of the following amounts:

- the annual base wages or salary paid or made available by your Plan Sponsor or Salary-Paying Unit to a you in a Plan Year, including, at the Plan Sponsor’s election, any additional wages or salary paid to you in lieu of Plan Sponsor-provided group health plan coverage, including coverage of your family members, as determined by the Plan Sponsor. Such wages or salary will include any amount that is excluded from gross income pursuant to Code §107(2); and
- when a parsonage is provided to you as part of your compensation, 25% of the amount described in section (a).

Compensation will be determined under procedures that may be established by the Administrator. Compensation excludes, among other things, one-time or occasional payments that are not made regularly as part of your annual base wages or salary, such as expense reimbursements or bonus payments. Severance pay is also excluded from Compensation.

**Compensation for Lay Employees and Clergy who are not eligible to participate in the Clergy Retirement Security Program** means, during a calendar year, the sum of the following:

- your 415 Compensation (including 415 Compensation paid to you in lieu of Conference-provided group health coverage for you and your family, but excluding any compensation earned outside of such calendar year);
- if you are a Clergy person, any cash exclusions from your cash salary pursuant to Code section 107(2), i.e., housing allowance exclusion; and
- when you receive:
  - a parsonage as a Clergy person under Code section 107(1); or
  - housing as provided tax-free to a Lay Employee under Code section 119 or another applicable Code provision,
  - then 25% of the sum of: 1) your 415 Compensation as provided in the first bullet above; and 2) any cash excluded from taxable cash salary pursuant to Code section 107(2) as provided in the second bullet above.

If your Plan Sponsor is a nonqualified church-controlled organization (non-QCCO), your Compensation considered for any Contributions made with respect to any plan year beginning after December 31, 2025 may not exceed \$350,000, as adjusted for cost-of-living increases in accordance with Code section 401(a)(17)(B). A non-QCCO is a United Methodist Church-related organization that receives over 25% of its support from the sale of goods and services (as opposed to donations), such as nursing homes, medical facilities, day care centers and colleges.

**Conference** means any annual conference, provisional annual conference or missionary conference that is described in the *Discipline* and is located in a jurisdictional conference or the Puerto Rico Methodist Church.

**Conference-Elective Entity** means an extension ministry for which a Conference agrees to make contributions to the Clergy Retirement Security Program (CRSP) on behalf of all Clergypersons under episcopal appointment by that Conference's Bishop to that extension ministry.

**Conference-Responsible Salary-Paying Unit** means an entity to which you are appointed within your Plan Sponsor's Conference that is:

- A local church or charge;
- A Conference;
- A conference-responsible unit (as defined in ¶1344.1a)(1) of the *Discipline*); or
- A Conference-Elective Entity

**Contribution** means the amount your Plan Sponsor remits to your PIP Participant and/or Plan Sponsor Account.

**Disclaim** means that you or your Beneficiary refuses or waives a benefit before receiving it, such that it passes to another person, such as a successor Beneficiary.

**Eligible Designated Beneficiary** (as defined in the SECURE Act for Required Minimum Distribution purposes) means a Designated Beneficiary who is a surviving Spouse, a Designated Beneficiary who is not more than 10 years younger than the Participant, a chronically ill individual as defined in Internal Revenue Code section 7702B(c)(2), a disabled individual as defined in Internal Revenue Code section 72(m)(7) or a minor until the age of majority, who is receiving or entitled to receive a benefit under PIP.

**Eligible Rollover Distribution** means any distribution of all or any portion of your vested Account balance, except that the term "Eligible Rollover Distribution" does not include:

- Any distribution that is one of a series of substantially equal periodic payments made (not less frequently than annually) for your life (or life expectancy) or the joint lives (or joint life expectancies) of you and your designated Beneficiary or for a specified period of 10 or more years
- Any Required Minimum Distribution
- Any defaulted loans that are deemed distributions
- Any hardship withdrawal
- Any corrective distributions

**Employee** means any person who is currently employed (in the common-law sense) by the Plan Sponsor or an Affiliate, or who is a leased Employee with respect to your Plan Sponsor or Affiliate, but such term excludes any person who is employed as or through an independent contractor. For the purpose of eligibility under PIP, however, "Employee" does not include a leased Employee or a nonresident alien who receives no earned income (as defined in Code section 911(d)(2)) from a Plan Sponsor that constitutes income from sources within the United States (as defined in Code section 861(a)(3)).

If you are disabled or on a Leave of Absence, you are deemed to be an Employee until you incur a Break-in-Service.

**Employer** means the entity that employs you (in the common-law sense) and pays your Compensation.

**415 Compensation** means all amounts paid or made available by a Plan Sponsor or Affiliate to you in a limitation year, including:

- your wages, salaries, fees for professional services and other amounts received (without regard to whether an amount is paid in cash) for personal services actually rendered in the course of employment with the Plan Sponsor to the extent that the amounts are includable in your gross income—including, but not limited to, bonuses, fringe benefits and reimbursements or other expense allowances under a non-accountable plan, as described in Treasury Regulations section 1.62-2(c);
- amounts received in connection with disability, an accident or a sickness and described in Code sections 104(a)(3), 105(a), and 105(h), but only to the extent that these amounts are includable in your gross income;
- amounts paid or reimbursed by the Plan Sponsor for moving expenses incurred by you but only to the extent that at the time of the payment it is reasonable to believe that these amounts are not deductible on your tax return;
- amounts relating to before-tax elective contributions made from your Compensation to a Code section 403(b), 415, or 125 plan;
- foreign earned income (as defined in Code section 911(b)); and
- any of the following compensation earned before, but paid within the 2 ½ months after, a Termination of Employment or Retirement: sick leave, accrued sick leave, vacation pay, accrued vacation pay, regular pay, overtime pay, bonuses or other compensation that would normally have been paid in the normal course of employment.

The following payments, when paid after a Termination of Employment or Retirement, are *not* 415 Compensation: severance pay, unfunded nonqualified deferred compensation and parachute payments.

**HEART Act of 2008** means the Heroes Earnings Assistance and Relief Tax Act. It requires that employers fund pension benefits and make certain types of plan sponsor contributions for a participant who died or became disabled on a qualified military leave.

**Incapacity Leave** means a conference relationship specified in ¶410.4 of the *Discipline*.

**Lay Employee** means any Employee who is not a Clergy Employee.

**Leave or Leave of Absence** means your period of absence from performing your duties for a Plan Sponsor with your Plan Sponsor's approval, provided that you return to work when the Leave authorization ends (or you Retire before then).

**LifeStage Investment Management** refers to an investment management service that allocates your accounts among Wespath investment funds.

**LifeStage Retirement Income** refers to a distribution management service that uses your defined contribution accounts to create monthly retirement income payments designed to last for your lifetime.

**Medical Leave** means a conference relationship specified in ¶357 of the *Discipline*.

**Month of Service** means a calendar month during which you receive credit for eligibility and/or vesting, which is generally a calendar month for any part of which you are directly or indirectly paid for the performance of duties or paid for vacation, holiday, illness, disability or other paid leaves.

**Participant** means a person who qualifies or once qualified for PIP enrollment, including an Employee who has retired.

**Participant Contributions** mean Contributions to your PIP Account remitted by your Plan Sponsor from your Compensation on an after-tax basis (including Roth Contributions) or before-tax basis or a rollover or transfer you elect to make to your Account.

**Plan Sponsor** means an eligible entity that adopts PIP with the consent of Wespath for the benefit of its Employees pursuant to an Adoption Agreement.

Eligible Plan Sponsor means entities that are:

- Controlled by or associated with The United Methodist Church or an autonomous affiliated church including local churches and Conference-elective entities;
- A Code section 501(c)(3) organization or a person who normally works at least 500 hours per year as a self-employed minister within the meaning of Code section 414(e)(5)(A)(i)(I); and
- Eligible to sponsor a church plan, OR
- Any other entity that is not any of the above but to which certain Clergypersons are appointed.

**Plan Sponsor Contributions** mean Contributions to your Account by a Plan Sponsor of any of the following kinds:

- Non-matching contributions
- Conditional contributions
- Matching contributions
- Qualified non-elective contributions
- Discretionary contributions

**Required Beginning Date** means, with regard to a Participant who is required to begin receiving RMDs no later than attainment of the RMD age, April 1 of the calendar year following the later of the calendar year in which the Participant:

- Retires or incurs a Termination of Employment, or for a Clergy Employee, incurs a Termination of Employment and a Termination of Conference Relationship; or
- Attains RMD age (between age 70 ½ and 75, depending on their birthdate).

In the context of a Beneficiary, Required Beginning Date means the date RMDs must begin as stated in IRS Regulations.

**Required Minimum Distribution (RMD)** means the amount that a Participant must begin receiving from his or her Retirement Accounts by his or her Required Beginning Date. RMD amounts must then be distributed each subsequent year. IRS Regulations also establish minimum distributions for surviving Spouses and other Beneficiaries.

**Retire or Retirement** means Termination of Employment pursuant to the employer's retirement policy or, in the case of Clergy, a change from another relationship to the retired relationship with the Conference and a termination of employment with your current employer.

**Roth Contributions** means your contributions to PIP made in accordance with your election under Code §402A to contribute a portion of your compensation after income taxes are withheld. Roth contributions may earn tax-free investment earnings if the applicable provisions of Code §402A are met.

**Salary-Paying Unit** means any one of the following associated with The United Methodist Church that pays you Compensation:

- Commission on the General Conference
- A general agency
- A jurisdictional conference
- A Conference
- A Conference board, agency or commission
- A local church located in a Conference
- Any other entity to which a Clergyperson under Episcopal appointment is appointed

**Salary-Reduction Agreement** means an agreement between you and your Plan Sponsor or Salary-Paying Unit that specifies the amount or percentage of your Compensation to be withheld as Participant Contributions remitted by your Plan Sponsor or Salary-Paying Unit to your Participant Contributions Account.

**Service** means a period of time measured in months during which you earn one or more of the following:

- 15-year catch-up service;
- eligibility service; and/or
- vesting service.

**Spouse** means your husband or wife or surviving husband or wife who is legally married to you or was legally married on the date of your death, under the laws of the jurisdiction where you reside or resided. Notwithstanding the foregoing, the term “Spouse” does not include common-law spouses, even in states that recognize common-law marriage.

**Supplement One** means the frozen remainder of the Cumulative Pension and Benefit Fund (CPBF), which has been preserved as Supplement One to PIP, plus related provisions.

**Supplement Two** means the frozen remainder of the Personal Investment Plan (PIP), which has been preserved as Supplement Two to PIP, plus related provisions.

**Terminated Participant** means a Participant who has incurred a Termination of Conference Relationship or a Termination of Employment.

**Termination of Conference Relationship** means that you have ceased to be a member of any Conference, including by reason of:

- honorable location within the meaning of ¶359 of the *Discipline*;
- withdrawal within the meaning of ¶361 of the *Discipline*; or
- surrender of your ministerial credentials within the meaning of ¶361.2 or ¶2719.2 of the *Discipline*.

**Termination of Employment** means your resignation or dismissal for any reason or your death or retirement.

**PIP** means the Personal Investment Plan, as reflected in the official plan document as amended, as applied to all Plan Sponsors or any particular Plan Sponsor, as the context requires, including any applicable Adoption Agreements, amendments or supplements hereto.

**USERRA** means the Uniformed Services and Reemployment Rights Act. It requires that employers fund pension benefits and make certain types of plan sponsor contributions that a re-employed participant did not receive due to qualifying military service.

**Wespath** administers PIP and other retirement, health and welfare benefits and investments. Wespath is a general agency of The United Methodist Church.







# Wespath

BENEFITS | INVESTMENTS

1901 Chestnut Avenue  
Glenview, Illinois 60025-1604  
[wespath.org](http://wespath.org)