

# hark!

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July 2016

## NAME CHANGE—JULY

# Dedicated to Caring for You—Under a New Name!

The General Board of Pension and Health Benefits will be renamed *Wespath Benefits and Investments* this month. While we may be changing our name, the people and services you rely on will continue to support your retirement, health and welfare plans, and manage your investment funds.

## WHAT'S IN A NAME?

Over our 108 years of service, the scope of our mission evolved and our name evolved with it, expressing the nature of our work. Our name has always described our service role and responsibility, as an administrative agency of the Church.

At approximately \$21 billion in assets under management, we are the largest reporting denominational investor in the world—and among the top 100 of

all U.S. pension funds. But our name did not reflect this important aspect of our work: protecting your financial future. In 2015, our board of directors approved a July 2016 name change.

The name was created with two important elements in mind:

**Wes**—recognizes and honors John Wesley, the founder of Methodism and a strong advocate for social justice, and implies other Wesleyan philosophical tenets—

the importance of physical health, financial security and caring for God's creation.

**Path**—refers to our goal of providing participants and institutional clients with a path to follow in achieving personal health, investment and retirement objectives.

Our three agency divisions will also reflect the new agency name:

**Wespath—Retirement Services**  
*path to retirement and financial security*

**Wespath—Center for Health**  
*path to personal and missional vitality*

**Wespath—Investment Management**  
*path to sustainable financial growth*

*continued*



General Board  
**Pension and Health Benefits**

*Caring For Those Who Serve*

## New Name!

*continued*

### WESPATH—SYMBOL AND SYMBOLISM

Wespath will be used with our current agency symbol, which incorporates the UMC Cross and Flame, to continue to connect us with the Church. Two simply-stated words added at the bottom of the symbol identify the nature of our work: “Benefits and Investments.”

*Caring for those who serve* will remain an expression of our mission, reflecting our long history in service to UMC clergy and lay.

Next quarter, you will see our “new look,” the graphic design that incorporates visual and text simplicity.

We have been updating all materials—our websites, our signage, your statements, etc.—and will continue this work over the next 18 months, until you see our new name reflected on everything we develop and release. Our goal is to deliver information to you in easier-to-understand and easier-to-read formats.

Please let us know how we are doing—your opinions are important to us—we are here in service to you!

For more information, visit [www.wespath.org](http://www.wespath.org) or call us at 1-800-851-2201.

*Caring for those who serve will remain an expression of our mission, reflecting our long history in service to UMC clergy and lay.*



**Wespath**

BENEFITS | INVESTMENTS

### SUSTAINABLE INVESTMENT

## Keeping Investments Sustainable

Our investments are designed to have a positive impact on participants' retirements—helping to ensure you have adequate income after your Church ministry has ended—and a positive impact on the world.

Our significant and measurable impact is evident to those we help, but less visible to the participants we serve. In the coming issues of *Hark*, we will share information about some of the efforts we have made in pursuit of positive economic, environmental, social and governance (ESG) returns through strategies including:

#### POSITIVE IMPACT INVESTING

Promotes affordable housing and community development throughout the country; supports important community facilities like rehabilitation centers; and funds microfinance investments that improve the lives of people in developing countries around the world. These investments all earn a market rate of return commensurate with our assessment of the investment's risk.

#### ETHICAL EXCLUSIONS

Excludes from investment companies that derive 10% or more of their revenue from gambling, adult entertainment, weapons, privately-operated correctional facilities, and the sale of alcohol and tobacco.

#### ACTIVE OWNERSHIP

Engages with companies to directly address ESG issues of concern. We write letters to companies seeking additional disclosure of important information, meet with companies to discuss issues and opportunities for improved performance, vote our proxies globally and file shareholder resolutions.

To learn more about our sustainable investment efforts, visit [www.wespath.org/si/](http://www.wespath.org/si/).



# Fiduciary Standard for Providers of Investment Advice for a Fee



There are many decisions you need to make as you save for retirement, including who you'll trust for investment advice. Your financial adviser could have a significant impact on how much you'll accumulate by the time you retire.

You hope your adviser is acting in your best interests, but he or she may be compensated based on the investments you choose.

Conflicts of interest can be costly to your retirement income. A February 2015 study released by the White House Council of Economic Advisers found that conflicted retirement advice lowers returns by approximately 1 percentage point each year—costing U.S. retirement savers \$17 billion annually.

*Savers in Wespath-administered plans need not worry about conflicts of interest. Wespath provides unbiased, confidential financial planning at no cost\* through EY, a leading financial services firm.*

In response to this problem, the U.S. Department of Labor released a final conflict of interest rule in April 2016, defining who is a fiduciary due to providing retirement investment advice for a fee. The new rule requires advisers to adopt a "fiduciary standard," acting solely in clients' best interests when recommending retirement account investments. It is designed to prevent the inherent conflict of interest that arises when advisers suggest investments that could potentially earn them higher commissions.

## PROTECTING YOUR INVESTMENTS

While the new rules are widely heralded, they apply only to tax-advantaged retirement accounts, such as 401(k), 403(b) and IRAs (including Roth accounts), and they don't fully take effect until early 2018. Also, existing investments are grandfathered provided new advice isn't offered.

Most savers would want to avoid the lower returns that could potentially result from conflicted advice over the next two years. Fortunately, savers in Wespath-

administered plans need not worry about conflicts of interest. Wespath provides unbiased, confidential financial planning at no cost\* through EY, a leading financial services firm. EY has always provided participants with financial advice free of conflicts of interest, since EY does not sell investment or insurance products, and representatives do not earn commissions based on their recommendations. You can be sure their advice is guided only by a desire to help you choose what's best for you and your situation.

As a Wespath participant, you also have access to LifeStage Investment Management, which creates a customized target investment mix based on your age, risk tolerance, whether you will qualify to receive Social Security benefits and other factors. Approximately 70% of participants

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\*Costs for these services are included in Wespath's operating expenses that are paid for by the funds. EY services are available to active participants and surviving spouses with account balances, and to retired and terminated participants with account balances of at least \$10,000.

## Investment Advice for a Fee

*continued*

in Wespath-administered retirement plans use LifeStage to manage their accounts.

For more information about EY and LifeStage, visit [www.wespath.org/retirement/services/](http://www.wespath.org/retirement/services/).

### EVALUATING ADVISERS

While you don't have to worry about conflicted advice for your Wespath-administered retirement accounts, you may have retirement accounts with former employers or work with

an adviser for other investments. If you use, or are considering working with, an adviser, do your research before trusting him or her with your hard-earned assets. What's best for an adviser's business may not be best for your retirement account. Visit [www.wespath.org/assets/1/7/4725.pdf](http://www.wespath.org/assets/1/7/4725.pdf) for information designed to help you evaluate potential investment advisers.

### SUSTAINABLE INVESTMENT

## Time for an Investment Checkup

Do you know how your retirement savings are invested?



If you participate in LifeStage Investment Management, you can trust that your savings are invested in diversified and risk-appropriate funds using your LifeStage Personal Investment Profile. But what if you are self-managing your investments or have retirement savings in past employer accounts or IRAs? It's important to keep track of how your money is invested and, over time, consider whether your investments continue to be appropriate for your current circumstances.

### REVIEW YOUR INVESTMENTS ANNUALLY

Your investment strategy should be reviewed at least annually and

when your situation changes (e.g., risk tolerance or expected benefits commencement date). When evaluating your investments, consider:

- The level of diversification and risk that's appropriate for you
- The timeframe over which you will be investing
- Whether it is time to change your investment election, rebalance your account and/or start using LifeStage Investment Management

**To elect LifeStage, log in to [www.benefitsaccess.org](http://www.benefitsaccess.org)**

Select **"Take Action,"** choose **"Manage Investments"** and select **"Enroll in LifeStage Investment Management Service."**

Evaluating investments can be complicated—even for experienced investors. That is why, even if you elect not to use LifeStage, Wespath offers objective, confidential financial planning assistance at no cost\* from EY Financial Planning Services—call **1-800-360-2539**, Monday through Friday from 8:00 a.m. to 7:00 p.m., Central time. For more information about evaluating your investments, visit [www.wespath.org/assets/1/7/4699.pdf](http://www.wespath.org/assets/1/7/4699.pdf).



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Organizations

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a division of the General Board of Pension and Health Benefits of The United Methodist Church