

Investment Management Assistance through Wespath

Beneficiaries: Stay in the Know

Is Roth Right for You?

Promoting Good Corporate Governance Through Board Diversity

July 2017

Investment Management Assistance through Wespath



Need some assistance choosing investments for your retirement savings account? You're not alone. Nearly 80% of Wespath-administered retirement plan participants use **LifeStage Investment Management** to manage their retirement accounts.

This service simplifies your investing by choosing diversified and risk-appropriate funds based on factors such as your age, account balance and the choices you make in your LifeStage Personal Investment Profile, then rebalancing your account as needed. Just specify your risk tolerance (aggressive, moderate or conservative) and whether you expect to receive Social Security benefits. If you participate in the Ministerial Pension Plan (MPP), also enter your Expected Benefits Commencement Date (the date when you expect to begin receiving benefits). Keeping your Personal Investment Profile up to date helps the service choose investments that are appropriate for your situation.

Not sure whether LifeStage Investment Management is right for you? Evaluating investments can be complicated—even for experienced investors. That's why Wespath offers objective, confidential financial consultations at no cost from EY Financial Planning Services at **1-800-360-2539**.*

You can even view a modeled investment mix before electing the service. Go to **benefitsaccess.org**—after logging in, click **"Take Action**" and make a selection under **MANAGE INVESTMENTS**. You can change your Profile or opt-out of the service at any time.

*EY Financial Planning 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. Costs for these services are included in Wespath's operating expenses that are paid for by the funds.

Expecting benefits from the Ministerial Pension Plan (MPP)?

Be sure your Personal Investment Profile reflects an accurate Expected Benefits Commencement Date (the date when you expect to begin receiving benefits).



Beneficiaries: Stay in the Know



Wespath-administered plans can help you financially provide for your loved ones after you're gone. Benefits from defined contribution plans and the Comprehensive Protection Plan (CPP) are distributed based on the beneficiary designation on file with Wespath. So it's very important that you know who you've chosen to receive your account balances and death benefits.

A beneficiary is the person, organization (religious, educational, charitable, etc.), trust or other legal entity that receives plan benefits after you die or if you cannot be located when a benefit is payable. You may not think to check your beneficiary designation when life changes happen (marriage, divorce, death). But, updating your beneficiary information is vital to ensuring that your benefits are paid to the person, people or organization you choose. Even if your beneficiary hasn't changed, it's possible that his or her contact information has. Be sure to verify the information Wespath has on file to ensure a smooth transition after your death.

To add, remove or update beneficiaries, log in to **benefitsaccess.org** and click the "**Take Action**" tab at the top of the homepage. Then, under **UPDATE PERSONAL DATA**, select "**Update beneficiary designations**."

See the Future of Your Retirement Savings

Did you know that you can use Benefits Access to project your retirement readiness? The Retirement Readiness Tool and Retirement Benefits Projection demonstrates how prepared you're likely to be based on the actions you're taking now.

What you learn just might save your retirement.

Log in to **benefitsaccess.org**, try the tools and see what your future can be!



Visit benefitsaccess.org today!

Moving Your Money Could Be Taxing



Wespath has been caring for you throughout your career in the Church, and we will continue to do so during your retirement. Our commitment to caring for those who serve supports our depth of knowledge about Church benefits. We offer value-added services like EY Financial Planning Services, LifeStage Investment Management and LifeStage Retirement Income. Plus, with Wespath, you won't lose tax benefits that may be available through the clergy housing allowance exclusion.

Learn more about how you might benefit from keeping your money with Wespath at wespath.org/Keepyourmoneyhere

Is Roth Right for You?

You have three options for making contributions to your defined contribution account in the United Methodist Personal Investment Plan (UMPIP) or Horizon 401(k) Plan. Consider which is right for you.

Before-tax

Defer the taxes you pay on contributions until distribution.

- Advantage: Reduced taxes make it possible to save more than you take out of your take-home pay. Your take-home pay is higher than with Roth or after-tax contributions. If you are in a lower tax bracket in retirement and tax rates are unchanged, you might pay fewer taxes overall.
- **Disadvantage:** In retirement, generally all distributions from the account are subject to taxation. If you are in a higher tax bracket in retirement or tax rates have increased, you could pay more tax than you would have with Roth or after-tax contributions.

Speak to the Professionals

Find an appropriate tax diversification strategy through a one-on-one, confidential, professional Roth contributions modeling consultation at no cost from **EY Financial Planning Services**.* Then stay on the line to receive a full financial evaluation and report that assesses your investment mix, debt management, budgeting and more!

*EY Financial Planning Services are available to active participants and surviving spouses with account balances, and to retired and terminated participants with account

Mark Your Calendars Upcoming Events

Clergy Benefits Academy

August 7-9, 2017 Tempe, Arizona

Roth

Pay taxes on your contributions today and possibly avoid them in retirement.

- Advantage: In retirement, all distributions from your Roth account (both contributions and earnings) are tax free, as long as certain qualification criteria are met.
- **Disadvantage:** If you have no tax liability in retirement (such as through offsets from the clergy housing allowance) you may have been better off with before-tax contributions.

After-tax*

Pay taxes today and possibly avoid some taxation in retirement.

- Advantage: These contributions can be combined with before-tax or Roth contributions for greater total contributions.
- **Disadvantage:** You are taxed on any earnings even though you receive tax-free distributions of contributions.

* This option is only available in UMPIP.

Financial professionals are available business days from 8:00 a.m.-7:00 p.m., Central time at **1-800-360-2539.**

Or visit the EY Financial Planning Center website at **wespath.eyfpc.com** for articles and calculators on a wide range of financial topics.

balances of at least \$10,000. Costs for these services are included in Wespath's operating expenses that are paid for by the funds.

For clergy of all ages and stages of ministry—new ordinands, early-career clergy, mid-career clergy, ready-to-retire clergy, district superintendents, clergy in extension ministries—and spouses

REGISTER AT wespath.org/events



SAVE THE DATE! August 7–9, 2017 Tempe, Arizona BE INSPIRED Clergy Benefits Academy



Promoting Good Corporate Governance Through Board Diversity

Wespath voted against

members or chairs of the

nominating committees

2013-15

SISTAINABLE INVESTMENT STRATEGIES

Engagement Timeline



Engagement letters sent to all three companies: Comcast, Simon Property and Equifax

d because of a lack of diversity on their corporate boards (only one female director)

2012

Wespath's corporate engagement efforts promoting diversity have successfully influenced three S&P 500 companies to increase the number of female directors on their corporate boards. Our efforts included writing letters to corporate executives, voting against directors at annual general meetings and ultimately filing shareholder resolutions. This work led Simon Property Group, Comcast Corp. and Equifax to add women to their corporate boards.

Shareholder Resolution(s)

Wespath escalated

engagement efforts

resolutions at all

companies

2015

and filed shareholder

November-December

Comcast

board

February

appointed

an additional

woman to its

2016

Board diversity in the United States is an important corporate governance-related area of focus for Wespath. Currently only 19% of S&P 500 directors are women¹. Research² has shown that companies

with diverse boards exhibit a stronger mix of leadership skills and improved understanding of consumer preferences (women control more than two-thirds of consumer spending in the United States³)—both are linked to better stock market and financial performance.

Simon Property

appointed an

additional

to its board

woman

March

Improve Your Well-Being with the Center for Health Newsletter

The July issue of the *Center for Health Newsletter* is now available. Visit **wespath.org/cfh/newsletter** to access useful and practical information to support your path to well-being.

This quarter's issue features articles on Wesleyan guidance for spiritual and physical health, the impact on your health of spending time in nature, the importance of self-care, and ways to cope with stress and cultivate happiness. Two printable bulletins are available for you to read and share:

- Pets Are Good for Well-Being
- Healthy Eyes





1 30percentcoalition.org (as of September 30, 2016)

2 2012 and 2014 Credit Suisse research report, "Gender Diversity and Corporate Performance," links board diversity to better stock market and financial performance (higher return on equity, higher price/ book ratios and improved growth prospects)

3 July 2013 Fleishman Hillard research report, "Women, Power & Money: Wave 5" © 2017 Wespath Benefits and Investments, a division of The United Methodist Church

Equifax appointed

an additional

woman to its

board

November