

Planning Account Contributions for 2019



Trying to save a few bucks at tax time can be confusing. Here are some guidelines to help you figure out which type of account you should fund first.

First priority

Financial experts recommend earning any available matching contributions first. UMPIP and the Horizon 401(k) Plan allow before-tax and/or Roth contributions; you may need to determine which type (or which combination) is best for your future financial plans. Check with your conference, church or employer to determine your matching formula, if any. Roth's benefits are long term—you pay taxes today but may save when you make withdrawals. However, before-tax contributions can result in higher

take-home pay.¹ And having a little more money available could make it possible to utilize other tax-advantaged accounts like Health Savings Accounts (HSAs). View a comparison of Roth and before-tax contributions at wespath.org/roth.

Second priority considerations

HSAs are special savings accounts available to people who enroll in account-based health insurance plans (also known as high-deductible plans). The “triple tax” benefit refers to the fact that contributions, earnings and withdrawals are all tax free when used

Contribution Limits

Did you max out your retirement plan savings in 2018? You can increase them this year to:

- **\$19,000** in before-tax and/or Roth contributions
- **+\$6,000** if age 50 or over by year end (totaling \$25,000)
- **+\$3,000** with 15+ years of UMC service (call Wespath at **1-800-851-2201** for details)

Health Savings Account limits also increased. You can contribute:

- **\$3,500**/individual or **\$7,000**/family
- **+\$1,000** if age 55 or over

Learn more at wespath.org/limits.

for eligible health expenses. HSA funds over \$1,000 can be invested—but don't invest funds you will use for current year medical expenses—and HSAs can be retained through retirement.

If you don't have an HSA plan, contribute more to UMPIP or Horizon. If you have expected health expenses, consider using a flexible spending account (FSA). FSA tax benefits are less generous. These accounts are use-it-or-lose-it, meaning that if you don't use the funds you set aside by year end, you may forfeit your money to the plan.

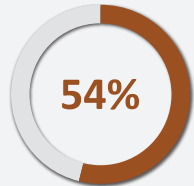
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¹ Tax savings depend on tax rates now and in retirement.

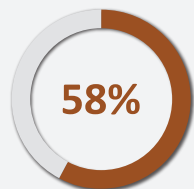


Last Month's Poll Results:

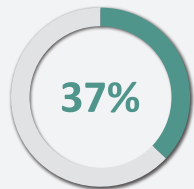
In the last issue, we asked about debt.



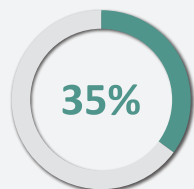
54% of respondents think **debt is impeding their ability to save** for retirement...



...and 58% have average **debt of more than \$20,000.**



While 37% of respondents have **savings of \$50,000 or less...**



...a nearly equal number of 35% have **savings in excess of \$500,000.**

Required Annual Disclosure to Church Plan Participants

Retirement plans administered by Wespath are church plans that are not subject to registration, regulation or reporting under:

- Employee Retirement Income Security Act of 1974 (ERISA)
- The Investment Company Act of 1940
- The Securities Exchange Act of 1934
- The Securities Act of 1933
- Title 15 of the United States Code
- State securities laws

Similarly, the administrator and the trustee of the plans and the entities maintaining any investment funds under the plans are not subject to the provisions of those acts or laws. Therefore, any protections offered by those provisions do not apply to Wespath plans.

Planning Account Contributions for 2019 (continued)

Everything else

Retirement and health accounts aren't the only options for saving at tax time. You might also want to look into Dependent Care and 529 accounts if you have a school-aged child. Your strategy could vary based on your personal situation.

Consult a tax advisor or call **EY Financial Planning Services** for guidance at no additional cost at **1-800-360-2539.²**



² Costs for EY Financial Planning Services are included in Wespath's operating expenses that are paid for by the funds. 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.

Principled Fund Management

We continue our series highlighting Wespath's Investment Beliefs, which help define our investment philosophy, while aligning our products and services with the principles of The UMC.



Belief—Expertise

- We believe that highly-qualified employees and external asset managers/vendors are required to achieve strong risk-adjusted fund performance.
- We believe employee-owned, or closely held firms provide attractive opportunities to invest, as their interests are more aligned with the interests of our investors.
- We conduct rigorous due diligence to ensure we select external asset managers that align with our beliefs and interests.

To view all of our investment beliefs, visit wspath.org/assets/1/7/5060.pdf.

Understanding Your Benefits

To create and implement effective plans for the future, you should understand your available benefits and plan options. That’s why participant education is one of Wespath’s primary goals.

Participant Account Website

Participants can manage retirement savings and investments online at Benefits Access (benefitsaccess.org). Wespath just made access easier and more secure. You no longer need to receive a PIN by mail to register for access to the site.

Get registered today and view your investment performance and activity, plan contributions, account balances, benefit projections, and more. Plus, the site allows you to make immediate updates to personal information, beneficiaries and bank details, and apply online for benefits.

Go to benefitsaccess.org and select “New User Registration” to get started. What you learn on Benefits Access just might save your retirement.

Videos

Wespath offers videos on a variety of subjects related to your benefits. Learn about the benefits of, and process for, applying online for retirement distributions, information about taxation related to moving expense payments, and more online at wespath.org/video.



Webinars

Wespath offers regular webinars on subjects such as retirement planning, benefits and well-being. To view past webinars, visit wespath.org/retirement-videos and wespath.org/health-videos.

You can also view webinar content through our partnership with EY Financial Planning Services. Upcoming webinars include:

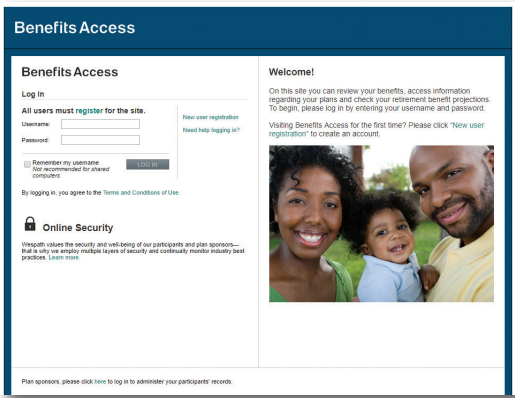
- **7 Things to Do with Extra Money**—January 17—Using tax refunds or other windfalls to fund emergency savings, pay off debt, invest for retirement or meet other goals.

- **Achieving Financial Success: Why You Might Be Your Own Worst Enemy**—February 13 and 21—Developing a more positive and productive relationship with money.
- **12 Investing Mistakes to Avoid**—March 13 and 21—Timing the market and under-diversifying are among a dozen errors that pose the greatest threat to your ability to achieve goals.

Visit wespath.eyfpc.com to register or to view previously recorded webinar content. To register by phone, call **1-800-360-2539**.



This video—available at wespath.org/movingexpenses—helps explain the change to the tax laws related to moving expense payments.



A PIN is no longer needed to register for Benefits Access. Register today at benefitsaccess.org.

Special Session of General Conference Commences Next Month

The Special Session of General Conference 2019 will be held in February. Wespath has analyzed and prepared for the potential impacts of the proposed plans on clergy pensions in the United States, as well as related effects on local churches and annual conferences.

We are prepared to make whatever changes are required to continue serving the Church in whatever form it takes. Our mission as a prudent fiduciary is seeking to ensure that benefits remain sustainable into the future for all our plan participants.



For information about Wespath's efforts leading to and following the special called session, visit wespath.org/WayForwardWespathFAQ/.

Wespath Adds Twitter Presence to Recently Launched Facebook Page



Following its launch on Facebook, Wespath recently added a Twitter presence to educate and inform plan participants, sponsors and partners in caring for those who serve.

On our social media sites you'll find:

- Information about our sustainable investing, engagements and other agency priorities
- Educational opportunities, such as Clergy Benefits Academy, revitup! and webinars
- Agency news, such as the launch of Wespath Institutional Investments
- Up-to-date information about the benefits available through Wespath

Check us out on [Facebook](#) and [Twitter](#), and let us know what you think!



Follow us @wespath



Like us on Facebook

Introducing

Wespath

INSTITUTIONAL INVESTMENTS

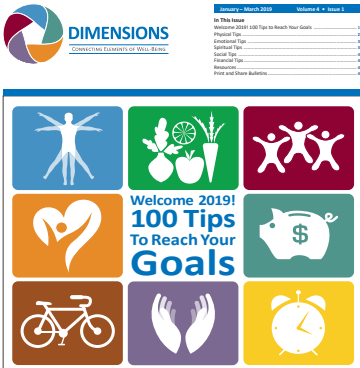
Serving the Missions of a Broader Range of United Methodist-Related Institutions

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OLDER ADULT MINISTRIES

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Improve Your Well-Being with the *Dimensions* Newsletter



WELCOME 2019! 100 TIPS TO REACH YOUR GOALS

Most of us see the beginning of a new year as a way to start new habits. Common ones are to lose weight, exercise more, spend time with friends and family, save money, meditate. Unfortunately for most of us our good intentions never make it to long-standing behavior change. The best way to make changes is to make small, distinct changes and build on them. This issue is full of tips and suggestions to help you make the small changes. Pick one or two to work on and then build on them. Soon you will be reaching your larger goals. Make 2019 the best yet!

Wespath focuses on improving the dimensions of well-being—physical, emotional, spiritual, social and financial—by helping members of The United Methodist Church (UMC) live their best lives. Among Wespath offerings are well-being programs, financial and retirement educational opportunities and a retirement website.

 **Wespath**
BENEFITS INVESTMENTS
affiliated agency of The United Methodist Church

The January issue of Wespath's *Dimensions* well-being newsletter is now available. Visit wespath.org/benefits/newsletter to choose from 100 tips to reach your goals.