



Wespath

BENEFITS | INVESTMENTS



Wespath's Legislation Highlights for General Conference

General Conference 2020
April 23 – May 3, 2024

Priorities for 2024

Wespath's legislative priorities for General Conference are shaped by our core goals:



Caring for those who serve—now and long into the future



Helping participants and institutional clients meet their financial objectives while honoring United Methodist values



Providing dependable retirement income for clergy in a manner that is affordable to the Church



Continuing engagement strategies that drive positive change to support social justice and environmental resilience

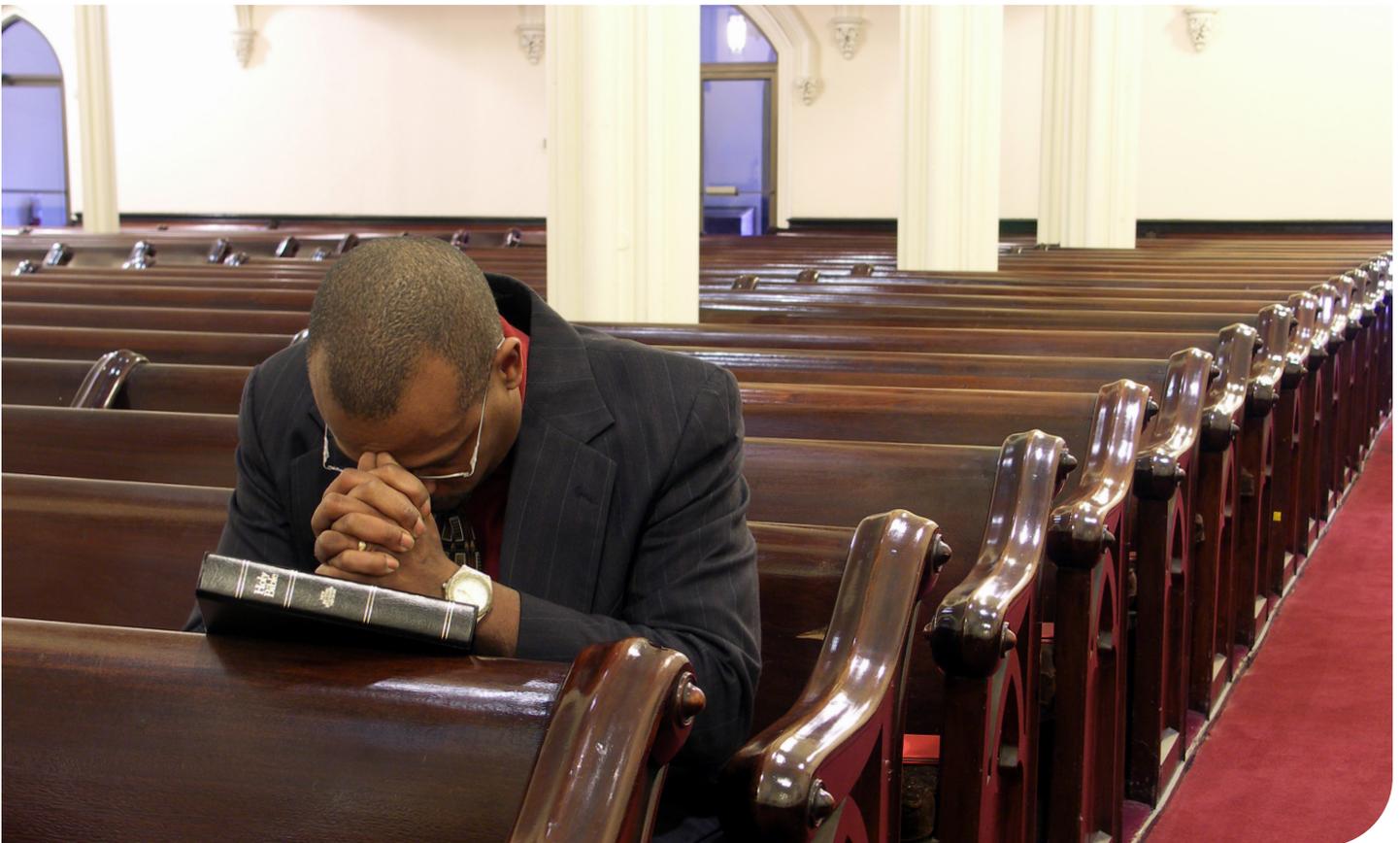


Assuring long-term sustainability of benefit plans in a changing Church environment



Providing service with grace and integrity for the UMC and other Methodist organizations

This brochure highlights Wespath's key legislation for General Conference in 2024. Visit wespath.org/GC2020 and the General Conference [Advance Daily Christian Advocate](#) for more details about Wespath's petitions.



Legislation Highlights

Wespath's legislation for General Conference is future-focused and grounded in our mission of *caring for those who serve*. Our petitions are designed for a United Methodist Church (UMC) that has changed significantly since the 1968 Uniting Conference and a denominational future influenced by several meaningful factors including:



Shrinking U.S. church

The number of local churches and total church members in the U.S. has been declining since at least 1980. This decline has accelerated since 2019. A smaller U.S. church intensifies long-term funding pressures for congregations and annual conferences.



Shifting international balance

The UMC is growing around the world, especially in Africa and the Philippines. Within a few years, the majority of United Methodists are expected to live outside the U.S. This shift enhances the Connection's diversity of cultures, perspectives and socioeconomic circumstances. But it also amplifies the need for nation/region-based decision-making for certain benefit plans and other policies that do not affect the entire Connection.



A widening universe of Methodism

Honoring Methodist commitment to grace, ecumenism and Christian unity, Wespath is providing services to others who share Wesleyan heritage, Methodist values, or both—while retaining our primary attention and allegiance to The United Methodist Church.



Rising urgency for a better future for all

Wespath is working toward a brighter future. We're focused on safeguarding the environment, protecting human rights, celebrating diversity, and enabling equitable distribution of resources like clean water and affordable shelter.

About Wespath

Wespath is one of 13 general agencies serving the UMC. Wespath is the benefits administrator for the Church—administering retirement, health, disability and death benefits for more than 100,000 participants (active and retired clergy, lay employees, and family members). Wespath also provides investment management services for more than 150 Methodist-related institutional investors.

Our reach is worldwide. Through the Central Conference Pensions program, Wespath helps administer pension funds for nearly 3,600 retirees and their spouses in Africa, Philippines, Central and South Europe, and Eurasia.

Wespath does not receive any general church funds.

About Our Name

In 2016, we changed our operating name from the General Board of Pension and Health Benefits to Wespath Benefits and Investments. Our name honors John Wesley and reflects our mission of providing a path to financial security for those we serve.

Legislation: Name Change

Book of Discipline Section IX (§§1501 – 1509) Petition 20213 – FA: GBPHB–Wespath Name

What the petition proposes:

Formally change the agency’s name to **Wespath** throughout *The Book of Discipline* and *The Book of Resolutions* (replaces “General Board of Pension and Health Benefits” name).

Why it is recommended:

This agency has been doing business as “Wespath” since July 2016. Stakeholders across the Church have embraced the Wespath name.



Legislation: Compass Retirement Plan for U.S. Clergy

Book of Discipline (§1504.1)

Petition 20946 – FA: Retirement Plan for U.S. Clergy

What the petition proposes:

A new mandatory **retirement plan for U.S. clergy**

Why it is recommended:

Benefits sustainability and affordability

Compass is designed for a changed UMC environment. It considers the Church's declining U.S. demographics and increasing financial pressures. Compass also upholds longstanding Church values to:

- Provide an **income stream** throughout retirement for those who have served faithfully, and
- Promote **equity** for clergy at different pay levels.



Understanding the need:

With the current retirement plan (Clergy Retirement Security Program or CRSP), pension obligations (“liabilities”) continue until the clergyperson (and their spouse, if applicable) dies. Often, this payout can be 30, 40 or even 50 years after the clergyperson retires.

- In today’s shrinking U.S. Church, local churches and annual conferences are facing new challenges and do not need additional financial obligations that may continue for many decades after the clergyperson ends active service.



Understanding the new plan:

Compass is designed for a changing UMC environment. It addresses emerging needs and financial realities.

- Compass increases **long-term benefits sustainability**. It helps assure reliable retirement benefits will be available for future generations of clergy and beneficiaries, even as the U.S. Church continues to shrink.

U.S. Membership Per Retired Clergy

1982	1,011 members per retiree
2007	461 members per retiree
2017	314 members per retiree
2021	236 members per retiree

- Compass balances **affordability** with **adequacy**. It strives to provide

sufficient retirement income for clergy, at a predictable cost that is affordable to annual conferences and local churches.

- Compass provides **flexibility** for clergy. It permits clergy to leave an account balance to heirs or other beneficiaries. It also allows portability of benefits for clergy who switch annual conferences or exit the UMC.
- Compass promotes **equity**. Features like 1) a *flat dollar contribution* (from the local church/annual conference) that is the same for everyone, 2) *match on student loan payments* and 3) *an increase to parsonage values when calculating plan compensation* help build retirement savings for lower-paid clergy.



Sustainability



Affordability



Adequacy



Flexibility



Equity

(continued)

Legislation: Compass Retirement Plan

Important details:

- Eligibility doesn't change. Eligibility for Compass is the same as CRSP eligibility.
- Clergy won't lose benefits they've already earned through CRSP or prior plans.
- Compass won't affect retired clergy.
- Compass is for U.S. clergy only.
- Effective January 1, 2026.

Learn more about Compass:

- [Handout](#)
- [Video](#)



How it works:

Compass is an account-based defined contribution (DC) retirement plan. Account balances accumulate from three sources:

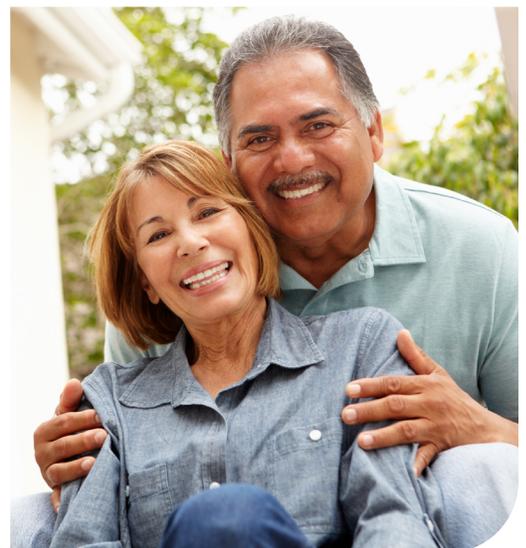
$$\text{employer contributions} + \text{clergy's contributions} + \text{investment earnings} = \text{Benefits/ account balance}$$

During active work years—savings phase:

- Automatic enrollment and automatic escalation help ensure clergy receive full matching contributions from their employer (annual conference) and help build retirement savings.

After retirement—spending phase:

- LifeStage Retirement Income calculates payout amounts based on age and other factors, to help savings last throughout one's lifetime. Optional Social Security Bridge and annuity after age 80 (Longevity Income Protection) further optimize the income stream.



Legislation: Plan Changes

Book of Discipline (§1504.1)

Petition 20948 – FA: Clergy Retirement Security Program (CRSP) Amendments

What the petition proposes:

- **Closes CRSP** (current retirement plan for U.S. clergy)—**to be replaced by new Compass plan**.
- Freezes participation and future benefit accruals.
- *For Ministerial Pension Plan (MPP) benefits (service prior to 2007)*: permits clergy to annuitize 65% of MPP balance (current rule) **or** receive payments via LifeStage Retirement Income (new option).

Why it is recommended:

- **Long-term sustainability** of plan benefits. Transitioning from CRSP to the account-based Compass plan is essential for the UMC’s ability to provide reliable retirement income for those who serve now and in the future.
- *MPP changes*:
 - **Flexibility** for older clergy—can annuitize 65% account balance or move 65% to LifeStage Retirement Income.
 - Ability to **leave MPP balance to heirs or beneficiaries** (through LifeStage Retirement Income—optional).

Important details:

- *For active clergy currently in CRSP*: pension benefits earned under CRSP-DB through December 31, 2025 will continue to grow. Benefits are based on the denominational average compensation (DAC), which increases 2% each year until the clergyperson’s termination or retirement.
- Currently: MPP annuitized benefits end when clergyperson (or surviving spouse) dies.
 - Proposed option: moving 65% to LifeStage Retirement Income instead of annuitizing means any account balance remaining after death can be left to heirs or beneficiaries.

Book of Discipline (§1504.1)

Petition 20947 – FA: Mandatory Plans and New Clergy Defined Contribution Retirement Plan

What the petition proposes:

Gives Wespeth’s Board of Directors **limited authority** to amend the mandatory plans between General Conferences, provided changes do not reduce benefits, add to plan sponsors’ costs or create new expenses on participant accounts.

Why it is recommended:

Flexibility and **practicality**—currently, Wespeth cannot amend even one word of the plans without General Conference approval—even if the change would improve participant benefits or reduce plan costs. For example, Wespeth cannot amend the plan in response to a 2017 U.S. tax code change on employer-paid moving expenses because there has been no regular General Conference since 2016. Inability to make this change inadvertently impacts pensionable compensation and complicates annual conferences’ benefits administration.

Important details:

- Limited amendment authority would apply to mandatory plans: CRSP (including legacy MPP and Pre-82 Plan); RPGA; Global Episcopal Pension Plan; CPP; and Compass (if approved by General Conference in 2024).
- Under current *Discipline* rules, plan adjustments without General Conference approval can only be made if necessary to comply with applicable mandatory laws, government regulations or *Discipline* changes. Any other changes must wait four years for a General Conference vote.
- The General Conference (or a U.S. regional governance body if approved by General Conference) would keep amendment authority over more substantive changes such as participant eligibility and formulas calculating benefit amounts.

Legislation: Plan Changes

Book of Discipline (¶1504.1)

Petition 20949 – FA: Changes to Retirement Plan for General Agencies (RPGA)

What the petition proposes:

Closes RPGA—transfers participant accounts to non-mandatory plan: **Personal Investment Plan (PIP)**, also called United Methodist Personal Investment Plan or UMPIP).

Why it is recommended:

- **Long-term sustainability** of plan benefits
- More **flexibility** to meet changing needs

Important details:

- Would not change benefits (plan contributions) for general agency employees.
- General agency (employer) contributions currently being made to RPGA would be made instead to PIP or a similar plan.
- Employer's contribution rate would not change, unless authorized by the participating agencies.

Book of Discipline (¶1504.1)

Petition 20951 – FA: Comprehensive Protection Plan (CPP) Amendments

What the petition proposes:

- **Streamlines death benefits** to flat dollar amounts (with 2% annual increases).
- Creates **new temporary disability benefit** while clergyperson's claim is being evaluated. Temporary benefit is paid by the plan, replacing temporary grants from the annual conference.
- Defers reduction for anticipated Social Security disability (SSD) benefits pending SSD determination.
- **Resurrects Voluntary Transition Program (VTP)** through December 31, 2028.
- Permits CPP to support funding of UMC legacy pension plans in certain circumstances.

Why it is recommended:

- **Predictable, equitable death benefits**; no longer linked to DAC.
- Provides **disability benefits during transition** to Social Security disability.
- **Extension of VTP** provides grace-filled exit path for clergy who choose to leave ministry completely.
- Promotes **sustainability** of legacy pension plans.

Important details:

- VTP expired December 31, 2020 and renewal was delayed due to postponement of General Conference 2020. The petition extends the program through 2028.



Legislation: Wespath Services

Book of Discipline (§1504.2 and §1504.16)

Petition 20950 – FA: **Wespath Voluntary Benefit Plans**

Petition 20952 – FA: **GBPHB Institutional Investors**

What the petitions propose:

- **Clarifies** Wespath’s ability to administer benefit plans and programs for Methodist-affiliated churches and organizations.
- Includes churches and organizations with historical Methodist ties, Wesleyan beliefs and traditions, missional relationships, covenantal or conciliar relationships, or shared communion.

Why they are recommended:

- **Benefits continuity and flexibility** for clergy, lay employees and retirees across varied Methodist expressions.
- **Ecumenical relationships and commitment** across Methodist traditions and other organizations with aligned values.
- **Cost savings**—spreads administrative costs across a larger base, which helps control costs for all.
- **Evangelism**--expands United Methodist investment values to more responsible investors.

Important details:

- United Methodist Church remains Wespath’s owner and core focus.
- Current *Discipline* already allows Wespath to serve those “affiliated with the UMC”; petition adds clarification.



Legislation: Investment Ethics

Book of Discipline (§717) Petition 20982 – GA: Sustainable and Socially Responsible Investments

What the petition proposes:

- **Emphasizes the need for ambitious shareholder engagement** and stewardship—rather than divestment—to advocate for policies and practices consistent with the Social Principles, especially related to human rights, climate risk and environmental protection.
- **Expands socially responsible investment efforts** beyond corporations by adding engagement with government leaders and policymakers regarding conflicted world regions.

Why it is recommended:

- **Strengthens our ability to care for creation and uphold the rights of all people.**
- Avoids a divisive “either or” choice for the Connection, which has endured disruptions and fractures for decades; **allows diverse approaches to a shared goal.**
- **Maintains our leverage as investors;** engagement with corporations, government leaders and policymakers is a successful tactic for **influencing positive change.** Engagement brings the UMC perspective to important dialogues on climate, human rights and other societal issues.
- **Upholds fiduciary responsibility and avoids potential risks and polarization** that may emerge if broad-based divestment is pursued to address sensitive issues.
- Ensuring a “just transition” away from fossil fuels is essential, as they remain critical to economic and social development today. Engagement provides a **more gradual and intentional transition.**
- The petition **aligns with the Social Principles** and our denominational desire to work toward a sustainable, low-carbon future in a just and equitable way, and toward a just and lasting peace in the Middle East and other conflicted areas.

Important details:

- Wespath continues to thoughtfully increase its sustainable investment ambition, in line with our fiduciary duty.
- Wespath models an Invest-Engage-Avoid approach for Methodist investors: we *invest* in solutions that make a positive social and environmental impact; we *engage* companies, policymakers and asset managers to enact change; and we *avoid* investments related to the UMC’s ethical exclusions and our expanded guidelines, such as avoiding investments in companies producing thermal coal or weapons.



Invest



Engage



Avoid

- Wespath has strategic partnerships with many organizations committed to responsible and sustainable investment. Pooling resources amplifies our collective impact.

Wespath’s engagement partners in recent years include UM Interagency Just and Equitable Net-Zero Coalition, Climate Action 100+, Interfaith Center on Corporate Responsibility, United Nations Net Zero Asset Owner Alliance, Transition Pathway Initiative, Ceres and other groups.

- Engagement and advocacy achievements are proactively encouraging the world’s large greenhouse gas emitters and fossil fuel producers to work toward a net-zero carbon future.



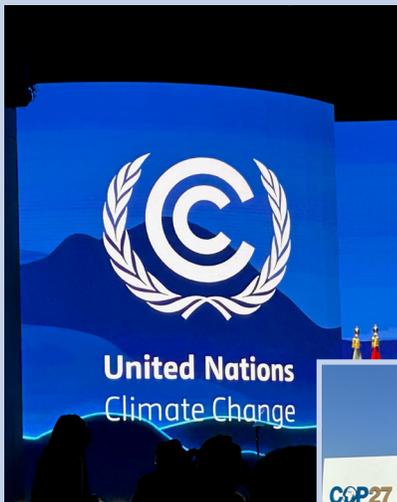
Investment Ethics—Making a Difference



Wespath's Sustainable Investment Report showcases some of Wespath's collaborative work to support human rights; environmental health; diversity, equity and inclusion; and more. <https://www.wespath.org/assets/1/7/5987.pdf>



In October 2022, Wespath General Secretary Andy Hendren (r) traveled to the Holy Land to hear different perspectives on the complex issues that plague this conflicted region.



Wespath partnered with other UMC agencies (Church and Society, Global Ministries and United Women in Faith) in a webinar at the United Nations COP27 climate action summit (November 2022 in Sharm el-Sheikh, Egypt). (L) Wespath Managing Director of Sustainable Investment Strategies Jake Barnett



Legislation: Global Pensions Across the UMC Connection

Book of Discipline (§1504.20)

Petition 20224 – FA: Central Conference Pensions (CCP)

What the petition proposes:

Updates *Discipline* description of Wespath’s role related to the CCP program (pensions for clergy across the UMC’s Central Conferences)

Why it is recommended:

- Provides **more accurate *Discipline* description** of the CCP program.
- Describes Wespath’s collaboration with other general agencies regarding the CCP program.
- Clarifies Wespath’s consultative role with individual Central Conferences on pension funding and local program administration.

Important details:

- Wespath partners with provisional and annual conferences in Africa, Philippines, South and Central Europe, and Eurasia to administer pensions for more than 3,600 retirees and surviving spouses.
- Approximately 8,000 active pastors are covered in the CCP program.
- Central Conference benefits officers (CCBOs) play an essential role in administering the CCP program locally within their episcopal area.
- \$16,260,688 distributed to pensioners since 2006.

Data as of December 31, 2023



Liberia—September 2023

CCP Stats

Over **3,600** retirees and surviving spouses

\$16,260,688 distributed to pensioners since 2006



Wespath representatives travel to Africa, Europe and the Philippines to meet with benefits officers, retirees and bishops across the Central Conferences.



Mozambique—May 2023



Central Conference Pensions Officers Forum: Königswinter, Germany—May 2022



Philippines—August 2023

Legislation: Wespeth Governance

Book of Discipline (§1502.1) Petition 20945 – FA: Membership (Wespeth Board of Directors)

What the petition proposes:

Reduce Wespeth Board of Directors from 32 members to 25 members

Why it is recommended:

- **Flexibility**—smaller Board is more nimble to adapt to changing needs in the future. (The average size of public company Boards is about 11 directors; the average non-profit Board is 18 directors.)
- **Cost savings**—smaller Board reduces expenses for travel, meetings and administration.

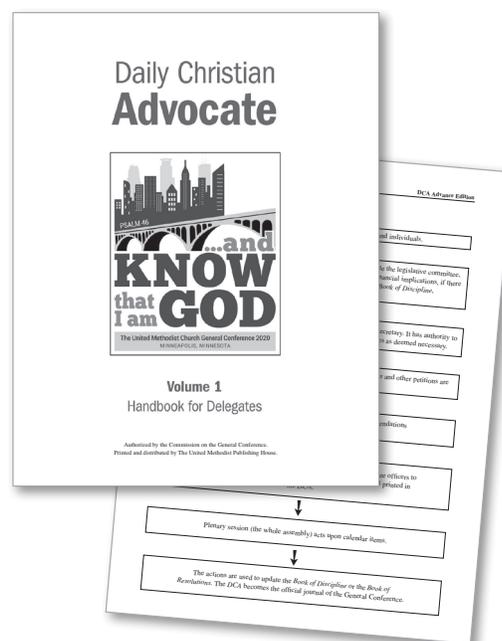
Important details:

- 9 of the 13 general agencies have reduced the size of their Boards since General Conference 2012; average Board size is 23 members [excluding Church and Society (62) and current Wespeth (32)].
- Wespeth’s GC 2016 petition to trim its Board was approved in legislative committee but was not voted on in plenary due to time constraints. The GC 2020 petition is similar to the 2016 petition.
- Includes representation from Central Conferences, bishops, and all U.S. jurisdictions.
- Strives for diverse representation (aspiration: 30% women and persons of racial and ethnic minorities)
- Allows for 10 Wespeth Board-elected members with specialized knowledge in accounting, benefits, investments, technology, law, etc., per bylaws.

Legislation: Other *Discipline* Updates

What these are:

Several petitions submitted would make **clarifications, technical adjustments and minor updates** to *Book of Discipline* language addressing Wespeth’s and Annual Conferences’ responsibilities. See the [Advance Daily Christian Advocate](#) for details on other Wespeth petitions.



Non-Wespath Legislation: Regionalization Proposals



Important details:

- Under the regionalization proposals submitted by the Standing Committee on Central Conference Matters, the current seven central conferences (in Africa, Europe and Philippines) and the United States would each become United Methodist regional conferences.
- Each of these UM regional conferences would have the same duties and authority to pass legislation for their respective regions.
- The proposals do not change how bishops are elected.
- The U.S. would remain in connection with the worldwide UMC for all connectional, denomination-wide matters.
- In 2024, 44% of General Conference delegates come from outside the U.S. At future General Conferences, more than 50% of delegates will come from outside the U.S. as the Church continues to grow in Africa and the Philippines and decline in the U.S.

Wespath also supports legislation that would create a U.S.-based governance body for addressing U.S.-only matters, including proposals from the **Standing Committee on Central Conference Matters**, the **U.S. Regional Conference proposal** (Connectional Table's petition) and the **Christmas Covenant proposal**.

Why regionalization is recommended:

- **Efficiency and practicality**—The majority of petitions considered by the General Conference are specific to the U.S. and irrelevant to the entire Connection. Yet these U.S.-focused petitions must be approved by delegates who increasingly live outside the U.S. This is an inefficient use of General Conference resources and delegates' time.
- **Cost-savings and time-savings**—Moving votes on U.S.-only matters to a U.S.-only governance body would shorten General Conference, reduce General Conference costs, and make more time available at General Conference for matters of importance to the entire denomination.
- **Fairness and parity**—U.S. is the only part of the UMC whose adaptable matters (like clergy benefit plans) are decided by the full international General Conference body. All other regions of the Church have local/regional governance over their own region-specific matters.
- A U.S. Regional Conference would make **decisions that affect only the U.S.**, including details on benefit plans and compensation for U.S. clergy.

2024: 44%
of General Conference delegates
live outside the U.S.

2028: 50%
of General Conference delegates
live outside the U.S.



Wespath General Secretary Andy Hendren answers questions about U.S. clergy pensions at GC 2019.

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wespath.org/GC2020



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