

Wespath



Spend retirement right with Wespath

LifeStage Retirement Income

A general agency of The United Methodist Church

Focus on the life side of retirement.

(We'll handle the financials.)

Making memories, enjoying time with friends and family, taking care of your health—without worrying about your finances. If this sounds like the retirement you want, consider enrolling in the Wespeth LifeStage Retirement Income program.

The LifeStage Retirement Income program helps you optimize your income throughout retirement and is provided at no additional cost to you.* When you are ready to retire and set up your retirement account distributions, Wespath will help you customize monthly retirement income payments that fit your financial situation. While enrolled, your account will be professionally managed and monitored at all times.

HOW THE PROGRAM WORKS

LifeStage Retirement Income will manage your monthly retirement income payments, which will come from your Wespath-administered 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.

The goal of this program is to provide you with monthly payments throughout your lifetime (and survivor's lifetime, if applicable).

If your circumstances change, you can modify all or a portion of your LifeStage Retirement Income elections at any time.

Funds in LifeStage Retirement Income are managed by LifeStage Investment Management, which saves you the stress of self-managing your investments. (See the back cover of this brochure for more information.)

**Costs are included in Wespath's operating expenses that are paid for by the funds.*



A solution built around you

When you enroll in LifeStage Retirement Income, you decide how much of your Wespath-administered accounts to include. Some accounts must be transferred into LifeStage Retirement Income funds—specifically, 65% of your Ministerial Pension Plan (MPP) balance (if you have one) and your Compass Directed Balance.

Other accounts, such as your PIP balance and, if applicable, your Compass Flexible Balance, do not have to be transferred. These accounts can continue to be self-managed, or you may choose to invest them through LifeStage Investment Management instead. You can also move money between LifeStage Retirement Income and your PIP account at any time, and you may add funds to LifeStage Retirement Income or withdraw from it whenever you choose.

For clergy with an MPP account, you may include the 65% portion of your balance in LifeStage Retirement Income instead of being annuitized. In addition, your Compass Directed Balance will automatically transfer to LifeStage Retirement Income. Unlike other LifeStage Retirement Income funds, however, these transferred MPP and Compass balances cannot be moved back to PIP or rolled over to another defined contribution plan while you are still living.

Social Security Bridge

Financial experts say it can be a good idea to delay claiming Social Security until age 70, particularly if you expect to live a long life. That is because Social Security benefits increase by 8% for every year after your full retirement age up to age 70.

Wespath agrees delaying Social Security can help maximize your retirement income, but we also recognize you may need the income for living expenses. That's why we created an optional Social Security Bridge, which allows you to spend more of your retirement account earlier on, essentially "bridging" the financial gap that results from delaying the start date of your Social Security benefits.

How the Bridge works

- Wespath will apply a larger portion of your retirement account balance as income early on
- Once you begin receiving Social Security retirement benefits, Wespath will reduce the amount paid from LifeStage Retirement Income
- This minimizes the impact of market fluctuations on your monthly retirement income payments

Are you eligible?

You are eligible if:

- You have paid into Social Security
- You have enough money in LifeStage Retirement Income to support the Bridge election
- You are younger than 69 years old

Is it right for you?

A lot of factors influence whether delaying Social Security is the right choice. If you are unsure, we encourage you to talk to a financial advisor or an EY financial planner to determine what's best for you.

Longevity Income Protection

You can also use part of your LifeStage Retirement Income funds to purchase Longevity Income Protection, a deferred annuity contract through an insurance company selected by Wespath. This annuity guarantees retirement income payments starting at age 80, regardless of how long you (and, if applicable, your spouse) live. This deferred annuity is also known by the IRS as a Qualified Longevity Annuity Contract (QLAC).

Why should you consider this option?

Purchasing this deferred annuity protects against the risk of outliving one's savings. In addition, 70% of your monthly payment from the deferred annuity is available to a surviving spouse, provided you were married to the surviving spouse at the time of purchase.

The purchase of this deferred annuity is final—the contract cannot be revoked.



You can use the modeling tool in Benefits Access to determine if you are including enough money in LifeStage Retirement Income to support the purchase of the Social Security Bridge and/or Longevity Income Protection.



Modeling your retirement income

Once you are eligible to retire, the LifeStage Retirement Income modeling tool in Benefits Access (benefitsaccess.org) can help you explore the benefits of using LifeStage Retirement Income.

By entering your information, the model will provide an estimate of your monthly LifeStage Retirement Income payments and show you options for optimizing your retirement income.

What else does the model allow you to do?

- Experiment with how much of your Wespeth retirement savings you want to include in LifeStage Retirement Income
- Determine if you are eligible for and/or have sufficient funds to elect the options of a Social Security Bridge and/or Longevity Income Protection
- See the impact of using the LifeStage Social Security Bridge (if you have not opted out of Social Security)
- Review the effect of including Longevity Income Protection in your retirement income payments

You can review and change your options as many times as you want before finalizing your setup and enrolling in LifeStage Retirement Income.

We encourage you to contact EY to walk through the LifeStage Retirement Income online model and explore its features. EY planners are available at **1-800-360-2539**, Monday–Friday, 8:00 a.m. to 7:00 p.m., Central time.

LifeStage Investment Management

Enjoy retirement knowing your financial security is in the hands of certified financial experts. All participants who enroll in LifeStage Retirement Income will have their retirement assets maintained and managed professionally at no additional cost through LifeStage Investment Management.*

- If you aren't using Life Stage Investment Management already, you can create a profile and specify your eligibility for Social Security and your risk tolerance
- LifeStage Investment Management then uses that information along with your age and account balance to set a target investment fund allocation for you and adjusts your investments periodically as necessary
- You can modify your personal investment profile in Benefits Access at any time

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Recommended action items

- 1 Set up your "My Social Security Account" at ssa.gov.
- 2 Make sure you are registered for **Benefits Access**.
- 3 Check that your personal contact information, beneficiary information and, if applicable, spousal information is accurate in Benefits Access.
- 4 Log in to benefitsaccess.org and select *Retirement > Distributions > LifeStage* to model your retirement income options.



Contact **EY** at **1-800-360-2539** (or your personal financial advisor) for help making retirement income decisions.

Contact **Wespath** at **1-800-851-2201** for assistance with implementing your elections.