

10/24/2018

Name

Address

City, State ZIP

RE: Annual Automatic Enrollment Notice

United Methodist Personal Investment Plan (UMPIP)

This legally-required notice provides important information regarding your rights and obligations under the automatic enrollment arrangement in the United Methodist Personal Investment Plan ("UMPIP" or the "Plan"). Please review this notice and retain it for your records. If you are receiving this notice electronically, you may request a paper copy of the notice at no charge. To request a paper copy or additional information, contact Wespath at **1-800-851-2201**.

Representatives are available business days from 8:00 a.m. to 6:00 p.m., Central time.

Effective <Date> (the "Effective Date"), <Conference> Office added an automatic enrollment feature to the Plan to make saving for retirement easier. With this feature, Covered Plan Participants (defined below) are automatically enrolled in UMPIP and personal contributions are made at a contribution rate of X% of compensation on a before-tax basis unless they elect otherwise. Automatic enrollment occurred for these Covered Plan Participants at the Effective Date or, if later, the date they become eligible to participate in UMPIP. If you are making personal contributions to the Plan (whether through automatic enrollment, or by submitting a *Contribution Election* form), you may change your personal contribution rate or type (i.e., Roth contributions or after-tax contributions) or choose not to make personal contributions at all by submitting a *Contribution Election* form at any time. The *Contribution Election* form should be submitted to your employer or salary-paying unit, and your elections will become effective as soon as administratively feasible.

Covered Plan Participants are those who became eligible to participate in the Plan on or after the Effective Date, or who were already eligible to participate in the Plan as of the Effective Date, but were not already making personal before-tax contributions at a rate of at least X% of compensation, and who were not making any after-tax or Roth contributions to the Plan.

What happens if I continue to do nothing?

If you are a Covered Plan Participant who was automatically enrolled at the contribution rate described above and you have not submitted a *Contribution Election* form in order to make personal contributions at a different rate or of a different type (i.e., Roth or after-tax), your automatic contributions to the Plan on a before-tax basis will continue.

What happens if I submitted a *Contribution Election* form?

If you are a Covered Plan Participant who has submitted a *Contribution Election* form in order to elect a rate of personal contributions (including 0%) that is different than the automatic rate of X% or in order to make personal contributions of a different type (i.e., Roth or after-tax), your elections made on the *Contribution Election* form will remain in effect until you change them by submitting a new *Contribution Election* form.

Will my rate of personal before-tax contributions stay the same, or increase each year?

Your plan sponsor has adopted automatic contribution escalation. Under this feature, if you are making only before-tax contributions to the Plan (and not after-tax or Roth contributions), your contribution rate will increase each year unless you elect to not have automatic contribution escalation apply, by submitting a *Contribution Election* form to your employer or salary-paying unit. If you do not make this election and if automatic contribution escalation applies to you (see the Q&A below regarding special situations where automatic contribution escalation will not apply), your before-tax contribution rate will increase on an annual basis by X% each January until it reaches X% of your compensation. If this increase

causes your annual contributions to exceed any applicable legal limit for contributions to the Plan, your contributions will automatically be limited to the legal limit for the year. Contribution limits are described in the “Contribution Limitations and Excess Contributions” section of the Plan’s summary plan description (SPD).

Are there special situations where automatic enrollment does not apply?

Yes. Covered Plan Participants are not automatically enrolled to make personal before-tax contributions at the rate described above if they elect otherwise on a *Contribution Election* form, or if they are:

- Participants contributing either after-tax or Roth contributions
- Participants contributing a flat-dollar amount of before-tax contributions to UMPIP, and whose employer or salary-paying unit does not provide compensation to Wespath (contact your employer to see if you fall within this situation); or
- Individuals who have submitted a form to waive participation in UMPIP, and who have not revoked that waiver

In 2018, clergy with multiple appointments were excluded from automatic enrollment; however, these clergy will be included beginning November 2018 for new appointments. Automatic enrollment will be applied independently to each new appointment. You may opt out of automatic enrollment or change your contribution rate by completing a *Contribution Election* form; a separate form must be completed for each appointment where changes are desired.

If Covered Participants are not described above, but fall within one of the situations below when automatic enrollment would otherwise take place, the automatic enrollment will take place when the situation below no longer applies:

- Participants are within a six-month contribution suspension period due to having received a hardship distribution
- Clergy are disabled under the Comprehensive Protection Plan (CPP) or individuals are on an unpaid leave of absence (both will be treated as new hires upon return to employment)

Are there special situations where automatic contribution escalation does not apply?

Yes. Participants’ rates of contribution are not automatically escalated if they elect on a *Contribution Election* form to not have such escalation feature apply to them, or if they are described in one of the categories in the Q&A above at the time automatic contribution escalation is scheduled to take effect. In addition, automatic contribution escalation does not apply to participants who are making zero personal contributions to UMPIP at the time automatic contribution escalation is scheduled to take effect.

Also, clergy with multiple appointments were excluded from automatic contribution escalation in 2018; however, these clergy will be included beginning November 2018. Automatic contribution escalation will be applied independently to each appointment. You may opt out of automatic contribution escalation by completing a *Contribution Election* form; a separate form must be completed for each appointment where changes are desired.

Are my personal contributions vested, and when can I withdraw them?

Your personal contributions to the Plan are fully vested at all times. Once deposited, you cannot withdraw your personal contributions from the Plan unless you have a financial hardship or are permanently disabled, as defined under the Plan, attain age 59½, retire, terminate employment and/or terminate your relationship with the Annual Conference.

How is my Plan account being invested?

If contributions are being made to the Plan on your behalf, whether they are personal or employer contributions, and if you have not elected investments via the Benefits Access participant account management website or completed and submitted an *Investment Election Form*, your contributions are invested among a selection of Wespath Benefits and Investments (Wespath) investment funds using LifeStage Investment Management. If you would like to choose how your contributions are invested, you must select investments via Benefits Access at benefitsaccess.org to change your elections or submit a completed *Investment Election Form* to Wespath. See the *Understanding Your Investment Options* brochure for information about LifeStage Investment Management and Wespath investment funds.

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