



Wespath

BENEFITS | INVESTMENTS



Retirement Benefits for Missionaries

a general agency of The United Methodist Church

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UMPIP for Missionaries

Missionaries witness and serve in dramatically different locales and cultures and engage in a range of professions and activities. They are a tangible connection between the church and mission. Global Ministries values the work of its missionaries and, therefore, provides benefits to care for them in retirement. These retirement benefits are offered through the United Methodist Personal Investment Plan (UMPIP)—an Internal Revenue Code section 403(b)(9) retirement plan administered by Wespath Benefits and Investments (Wespath).

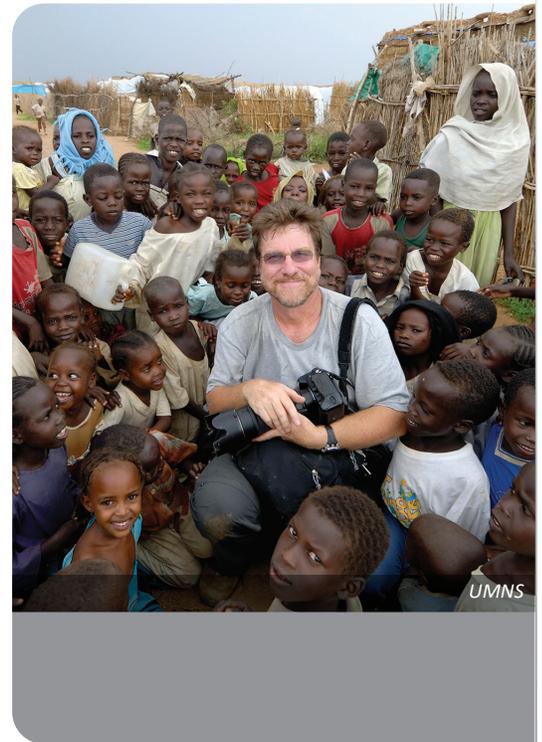
Following are the provisions of UMPIP as adopted by Global Ministries for certain missionaries. Not all missionaries are eligible for UMPIP contributions from Global Ministries. Contact Global Ministries to see if you qualify.

If you qualify, you will receive retirement contributions to your UMPIP account from Global Ministries. You can also make personal retirement contributions to UMPIP. While personal contributions are not mandatory, they offer you an opportunity to save toward your retirement future.

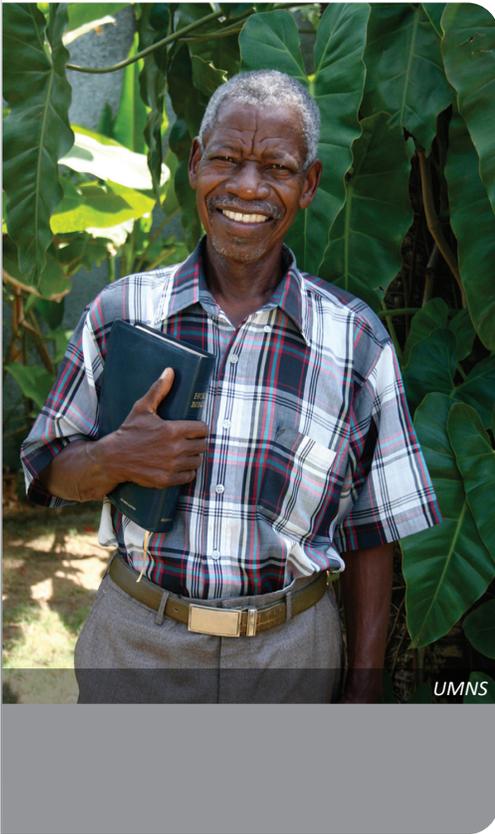
UMPIP offers tools to make saving easier:

- **Automatic deductions:** The amount you specify is set aside from your paycheck before you have a chance to spend it.
- **Personalized portfolio management:** LifeStage Investment Management, an optional account management service offered at no additional cost, automatically diversifies and manages your investment portfolio.* In retirement, LifeStage Retirement Income is available to manage distributions from your account (see page 5).
- **Objective financial counseling:** Unlimited phone consultations with EY Financial Planning Services are available at no additional cost.* Your financial counselor will help you develop a personalized savings and retirement plan, based on your financial assets, timeline and goals (see page 11).

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



Understanding Retirement Income Sources



Your retirement income may come from as many as four sources:

- 1** *UMPIP for Missionaries*—Global Ministries contributes to a UMPIP account in your name. You can also make personal contributions to this account (see page 3). At retirement, you can take monthly distributions or access your account as needed.
- 2** *Other retirement plans*—You may qualify to receive retirement benefits under other retirement plans, including:
 - Collins Pension Plan for Missionaries (see page 10)
 - UMPIP sponsored by other employers
 - Clergy Retirement Security Program (which may include benefits from the Ministerial Pension Plan and the Pre-82 Plan)
 - Plans sponsored by other employers for whom you may have worked
- 3** *Social Security*—You may be eligible to receive Social Security benefits from the United States or other countries in which you have served.
- 4** *Personal savings*—Your personal savings in UMPIP or other accounts can fill the gap between your financial needs and your monthly retirement income.

Contributions from Global Ministries and Personal Retirement Savings

CONTRIBUTIONS FROM GLOBAL MINISTRIES

If you are a missionary eligible for contributions to UMPIP, Global Ministries contributes 12% of average missionary compensation to a UMPIP account in your name. Average missionary compensation is computed annually and does not include any cost-of-living adjustments.

Once you have completed 15 years of eligible missionary service, Global Ministries will contribute even more than 12% of average of missionary service to your account:

Eligible Missionary Service	Contribution Percentage
< 15 years	12%
15 – 19 years	13%
20 – 24 years	14%
25 or more years	15%

PERSONAL CONTRIBUTIONS

You also may elect to make additional contributions to your UMPIP account. Personal contributions to UMPIP will help your retirement account grow faster and help you achieve a more comfortable and more secure retirement. These personal contribution amounts are deducted from your paycheck on a before-tax, Roth or after-tax basis.

You may also roll over account balances in Individual Retirement Accounts (IRAs) or qualified U.S. retirement plans [e.g., 401(k)s] into UMPIP.

HOW TO MAKE PERSONAL CONTRIBUTIONS TO UMPIP

- Read the “Taxation of Your Retirement Accounts and Benefits” section of this brochure and determine if UMPIP offers tax advantages based on your country of residence and citizenship.
- Complete a *Contribution Election* form and elect the percentage of compensation that you want to contribute.
- Submit your completed form to Global Ministries. Global Ministries will reduce your pay by the percentage of compensation you’ve elected and send your contributions to Wespeth.
- Increase your contributions over time as your pay increases.

If you would like guidance to see how much you need to save to meet your goals, consult with EY Financial Planning Services (see page 11).



Investing Your UMPIP Account



You can decide to self-manage the investment of your UMPIP account by selecting among the diversified investment funds available through Wespath or you can elect to use LifeStage Investment Management to automate the investment of your account.

For an explanation of your investment options, including LifeStage Investment Management, see the *Understanding Your Investment Options* brochure at wespath.org/assets/1/7/3463.pdf. For detailed information regarding investment funds, see the *Investment Funds Description* at wespath.org/assets/1/7/3052.pdf.

LIFESTAGE INVESTMENT MANAGEMENT

LifeStage Investment Management—available at no additional cost*—is a convenient, one-step investment approach for managing your retirement accounts. It applies a computer-based algorithm to determine your target asset allocation. To attain your target mix, LifeStage Investment Management allocates your account balance(s) among Wespath's investment funds.

Throughout your career and retirement, LifeStage Investment Management adjusts your target. In addition, the service will rebalance your investment portfolio as necessary to maintain your target investment mix. These adjustments to your customized investment mix will help maintain an appropriate balance between equity and fixed income investments.

To elect LifeStage Investment Management, log on to Benefits Access at benefitsaccess.org. You also may submit a paper *Investment Election* form. To obtain this form, go to wespath.org/assets/1/7/3265.pdf or contact Wespath.

MONITORING YOUR ACCOUNTS

You will receive quarterly statements of account by mail or online through Benefits Access (benefitsaccess.org). You can also access your account information 24/7 through Benefits Access or the automated phone system at **1-800-851-2201**.

If you have multiple UMPIP accounts due to service with other United Methodist Church-related entities, your accounts will be combined on your quarterly statement of account. You can see a break-down of your accounts by plan sponsor on Benefits Access.

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

Accessing Your UMPIP Account

IN-SERVICE ACCESS

You may be eligible for hardship loans, hardship withdrawals, and age 59½ withdrawals, but only from your personal contributions. You also may be eligible for withdrawals from your rollover account, if any.

DISTRIBUTIONS

Distributions from your account are available upon retirement, termination, disability or death.

Distributions can be made in one lump sum, partial lump sums or monthly payments. You may determine the amount of your monthly payments or the period over which they are to be made. Monthly payments will end when your account is exhausted. If you prefer, you can use LifeStage Retirement Income to calculate your payments for you.

Required minimum distributions must begin by April 1 after the year in which you reach an age between 70½ and 75 (depending on your birth date) or retire, whichever is later. Refer to the Required Minimum Distributions brochure at wespeth.org/r/rmd for details. Wespeth will calculate the annual required minimum distribution for you and distribute it to you if you haven't already taken sufficient distributions that year.

LIFESTAGE RETIREMENT INCOME

Enrolling in LifeStage Retirement Income moves your DC account balances into a single United Methodist Personal Investment Plan (UMPIP) account. You can then choose how much to include in LifeStage Retirement Income, which is managed by LifeStage Investment Management. The UMPIP account balance excluded from LifeStage Retirement Income can be self-managed or you can use LifeStage Investment Management. You can also transfer money between LifeStage Retirement Income and your UMPIP account at any time. When money is transferred into or out of LifeStage Retirement Income, your next monthly retirement income payment will be adjusted to reflect the transaction.

LifeStage Retirement Income has two optional, customizable features: the **Social Security Bridge**, which bridges the financial gap that would occur if you chose to delay the start date of Social Security benefits, and **Longevity Income Protection**, which is a deferred annuity contract provided by a Wespeth-selected insurance company.

You can learn more about LifeStage Retirement Income at www.wespeth.org/r/lisri.



benefitsaccess.org

The LifeStage Retirement Income Calculator, available in Benefits Access, helps you determine the amount your payments would be if you elected LifeStage Retirement Income. Once you are preparing to retire, you can use the modeling tool in LifeStage Retirement Income to see the effect of electing the optional Social Security Bridge and the Longevity Income Protection features.

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

Taxation of Your Retirement Accounts and Benefits



This information is general in nature and should not be construed as legal advice. You may wish to consult with a tax advisor or legal counsel.

U.S. CITIZENS AND RESIDENT ALIENS

This section applies to U.S. citizens and resident aliens. If you do not fall in one of those categories, see the section on page 8, entitled, “Non-Resident Aliens.”

Resident Aliens

A resident alien is a non-U.S. citizen who meets at least one of the following conditions:

- has a “green card” (a *U.S. Permanent Resident Card, U.S. Citizenship and Immigration Services Form I-551*).
(**Note:** You need not live in the United States at any point in the year to be a resident alien. If you obtained a green card while you worked but have since retired to a country outside of the United States, you are still treated as a resident alien with respect to the United States unless the United States has revoked your green card or you have officially turned it in to U.S. Citizenship and Immigration Services); or
- is physically present in the United States on at least:
 - 31 days during the current year; **and**
 - 183 days during the three-year period that includes the current year and the previous two years. To satisfy the 183-day requirement, count:
 - all of the days (or portions thereof) during which you were present in the United States in the current year;
 - one-third of the days you were present in the year before the current year; and
 - one-sixth of the days you were present in the second year before the current year.

Certain exceptions apply to days if you were only briefly in the United States on a travel stopover; if you commuted intra-day to the United States; if you could not leave the United States because of illness; or if you were only temporarily present in the United States and were acting as a government official, teacher, student, or professional athlete; or

- is subject to a tax treaty provision (between the United States and your home country) that defines who is a resident alien.

Resident aliens are taxed under the Internal Revenue Code (IRC) as though they were U.S. citizens (i.e., taxed on worldwide income). U.S. income tax exemptions that apply to non-resident aliens (NRAs) do not apply to U.S. citizens or resident aliens.

Contributions and Investment Earnings

U.S. taxes are deferred on employer contributions, before-tax contributions and investment earnings in retirement plans including the Collins Plan and the United Methodist Personal Investment Plan (UMPIP) until you receive them as distributions.

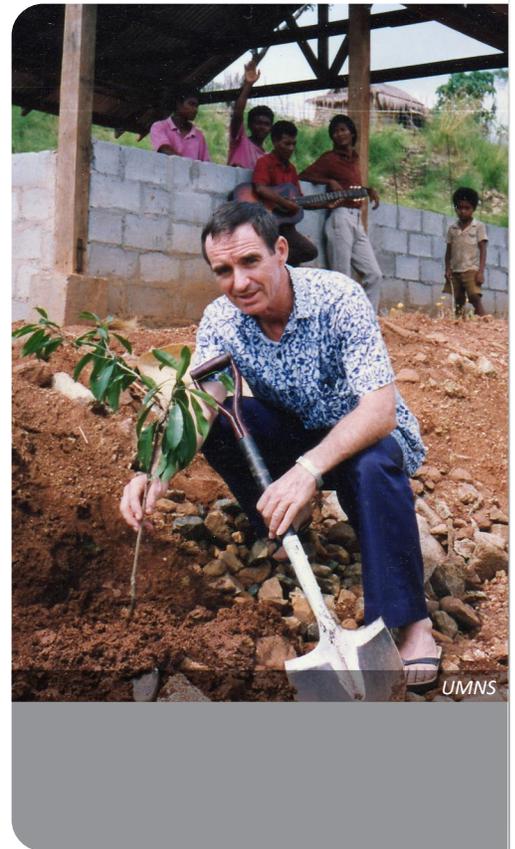
However, you could potentially be subject to tax on retirement plan contributions and investment earnings in the countries in which you serve. This could include before-tax contributions that you make to UMPIP. Wespath does not withhold taxes or report on distributions to any country other than the United States. It is your responsibility to know the tax rules of other countries in which you serve and pay any taxes that might be due.

Distributions

U.S. citizens and resident aliens are taxed by the United States on distributions from retirement plans. Wespath reports federal tax withholding to the United States. Distributions of personal contributions made to UMPIP as after-tax (already taxed) contributions are not taxable when distributed, but earnings on those contributions are generally taxable in the United States. If you retire to a country other than the United States, you may owe income tax to your country of residence when receiving benefit payments.

Retiree Clergy Housing Allowance Exemption

If you are a clergyperson and your service is covered by a retiree housing allowance designation, generally adopted as an annual resolution by U.S. annual conferences, you may be able to exclude from U.S. income tax any retirement plan distributions that are covered by such a designation and that meet other conditions. Such an exemption would have to be claimed on your income tax return. For more information on retiree housing allowance exclusions, see wspath.org/retirement/resources/clergy-housing-allowance/.



Taxation of Your Retirement Accounts and Benefits (continued)



This information is general in nature and should not be construed as legal advice. You may wish to consult with a tax advisor or legal counsel.

NON-RESIDENT ALIENS

A non-resident alien (NRA) is someone who is not a U.S. citizen and not a resident alien.

What Country's Tax Law Applies?

If you are an NRA and you earned a retirement plan benefit based on services performed in the United States (except for periods of under 90 days of service with earnings below \$3,000 a year) or if the retirement plan benefit comes partially from earnings on investments in a U.S.-situs trust, then you will probably owe U.S. income tax to the IRS on distributions of such benefits. You may also owe income tax to:

- the country where you served while earning the retirement plan contributions or benefits, with tax due for the year of service and/or the year of benefit payment;
- your country of citizenship, again, for the year service was rendered and/or the year of benefit payment; and/or
- your country of residence when receiving the benefit payments.

Wespath, however, does not withhold taxes or report on distributions to any country other than the United States. It is your responsibility to know the tax rules of other countries and pay any taxes that might be due.

U.S. Taxation of NRAs

There is no U.S. income tax due on distributions of contributions made to, or accruals under, a retirement plan while an NRA performed services outside of the United States. But distributions of contributions made while an NRA performed services in the United States and investment earnings that accrued in a retirement plan that is funded by a U.S.-situs trust are taxable in the United States when distributed to NRAs (unless there is a contrary tax treaty and the NRA has submitted an IRS Form W-8BEN to Wespath and has an IRS-assigned Individual Taxpayer Identification Number (ITIN)). Retirement plans administered by Wespath are funded by trusts that have a U.S. situs, so any part of a Wespath-administered retirement plan distribution to an NRA that represents investment earnings is generally taxable in the United States. Distributions of personal contributions made by an NRA to the United Methodist Personal Investment Plan as after-tax (already taxed) contributions are not taxable when distributed, but earnings thereon are generally taxable in the United States.

Tax Withholding

The IRC requires Wespath to withhold a portion of a retirement plan distribution when it is or may be taxable in the United States. There is no withholding on portions of a retirement plan distribution that is not taxable in the United States. Therefore, as noted above, distributions of contributions made to a Wespath-administered plan that related to an NRA's work or service outside of the United States are not taxable in the

United States, and there is no withholding on these distribution amounts nor on after-tax contributions. But any earnings on such contributions or contributions relating to U.S. service are U.S.-taxable income, and withholding is required on such amounts, unless the NRA qualifies for a reduced rate of withholding under a tax treaty.

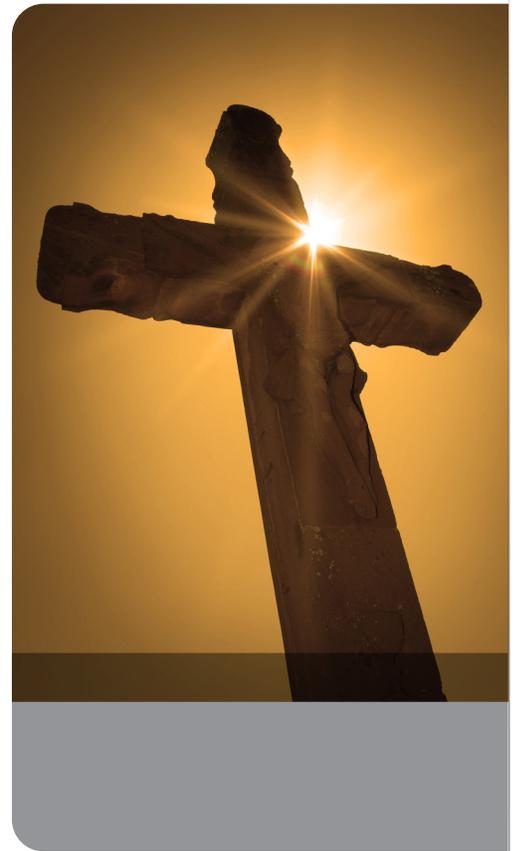
Withholding for NRAs is generally 30% of such U.S.-taxable amounts (although there are a few special situation exceptions). Therefore, when a distribution of earnings is made to an NRA, unless the NRA qualifies for a reduced rate of withholding, Wespeth will withhold 30% of such earnings and pre-tax deferrals earned while working in the United States from the distribution to the NRA and remit that withheld money to the IRS. To report to the IRS and the NRA on any such withholding, Wespeth will send both parties a Form 1042-S in late January of each year on account of withholding done during the previous year.

To get all or some of that money back from the IRS, the NRA will have to file a U.S. tax return (generally *Form 1040NR* or *1040NR-EZ*—see the IRS website: [irs.gov/Individuals/International-Taxpayers/Taxation-of-Nonresident-Aliens](https://www.irs.gov/Individuals/International-Taxpayers/Taxation-of-Nonresident-Aliens)) to claim a full or partial refund, if one is due under the IRC, e.g., if a clergyperson taxpayer can claim a retiree housing allowance exemption (see below) or has had more money withheld than the taxpayer owes in U.S. taxes. If an NRA does not file a tax return, the IRS will keep the withheld money (as high as 30%) in satisfaction of U.S. income taxes due from the NRA on account of the U.S.-taxable distribution, even though the actual taxes due to the IRS may be lower.

If the United States has a tax treaty with your home country, withholding may not apply or may be at a reduced rate. The United States has tax treaties with many European countries, some Asian countries, and a few Latin American and African countries, listed at [irs.gov/Businesses/International-Businesses/United-States-Income-Tax-Treaties—A-to-Z](https://www.irs.gov/Businesses/International-Businesses/United-States-Income-Tax-Treaties-A-to-Z).

Retiree Clergy Housing Allowance Exemption

If you are a clergyperson and your service is covered by a retiree housing allowance designation, generally adopted as an annual resolution by U.S. annual conferences, you may be able to exclude from U.S. income tax any retirement plan distributions that are covered by such a designation and that meet other conditions. Such an exemption would have to be claimed on a U.S. tax return (such as *Form 1040NR*). For more information on retiree housing allowance exclusions, see [wespeth.org/retirement/resources/clergy-housing-allowance/](https://www.wespeth.org/retirement/resources/clergy-housing-allowance/).



Benefits for Service Before January 1, 2014



COLLINS PENSION PLAN FOR MISSIONARIES

The Collins Pension Plan for Missionaries provides eligible missionaries serving Global Ministries with a monthly retirement benefit for their lifetime. The Collins Pension Plan for Missionaries was replaced by UMPIP effective January 1, 2014. If you participated in the Collins Pension Plan for Missionaries prior to January 1, 2014 but did not qualify for continued participation, you may still be entitled to a monthly retirement benefit from the plan that is payable for your lifetime. However, your years of eligible Collins Pension Plan missionary service were frozen effective January 1, 2014. You must complete at least 40 months as an eligible missionary to receive benefits (including service after January 1, 2014).

At retirement, your monthly Collins Pension Plan benefit will be calculated using the following formula:

$$\begin{array}{l} \text{Years of} \\ \text{Eligible Missionary} \\ \text{Service through} \\ \text{January 1, 2014} \end{array} \times \begin{array}{l} \text{Pension Rate} \\ \text{(in effect on your} \\ \text{Annuity Start Date)} \end{array} \div \text{12 Months}$$

Your monthly benefit from the Collins Pension Plan will be distributed separately from your UMPIP account balance.

Some missionaries qualified for continued participation in the Collins Pension Plan and are not eligible for UMPIP contributions from Global Ministries. Missionaries who qualified for continued participation in the Collins Pension Plan had:

- participated in the Collins Pension Plan for 15 years or more;
- been actively participating in the plan on December 31, 2013; and
- been at least age 50 by January 1, 2014.

For additional information, visit wespath.org/retirement/plans/collins/.

EY Financial Planning Services

Wespath has contracted with EY, a leading global financial services firm, to provide objective guidance from qualified financial professionals at no additional cost.* You can get assistance with a wide range of issues, including:

- Determining how much to save
- Determining whether LifeStage Retirement Income and its optional features will be a good choice to manage your retirement income
- Deciding whether LifeStage Investment Management is appropriate for your UMPIP account
- Managing credit card and other debt
- Paying for children's education
- Planning for retirement
- Purchasing a home
- Understanding tax issues

Additionally, EY representatives have been specially trained on Wespath-administered plans and programs, and the clergy housing allowance.

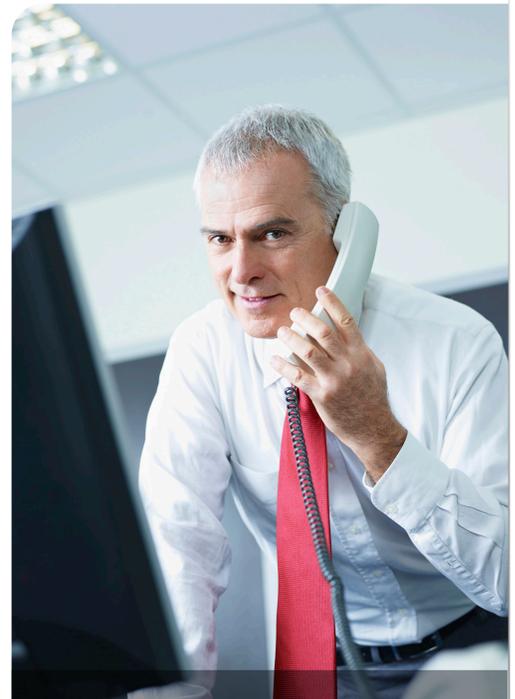
EY Financial Planning Services are available to:

- Active participants with an account balance
- Surviving spouses with an account balance
- Terminated and retired participants with an account balance of at least \$10,000

Your financial planner will create customized reports on a wide variety of personal financial topics and even walk you through the findings. Depending on your question, EY may require some information from you. You can provide it over the phone, by fax or via e-mail, or you can provide view-only access to your Benefits Access account (EY cannot submit any transactions, and authorization can be withdrawn at any time).

To authorize view-only access to your account:

- Visit **benefitsaccess.org**.
- From the **Retirement Details** page, select **"Profile."**
- Choose **"EY authorization"** and select the button that reads **"I authorize EY financial planners to view my Benefits Access account."**



You can call EY as often as you like, and spend as much time on the phone as you need. Financial planners are available Monday through Friday from 8:00 a.m. to 7:00 p.m., Central time:

- **1-800-360-2539** (U.S.), or
- **011-1-201-872-5823** (international).

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

Contact Information

If you want to begin making personal contributions to UMPIP, or if you have questions concerning eligibility or contributions made to your account, contact Global Ministries at **1-212-870-3681** (U.S.) or **MissionaryUMPIP@umcmmission.org** (e-mail) .

UMPIP for missionaries and the Collins Pension Plan for Missionaries are administered by Wespath Benefits and Investments (Wespath). If you need assistance, please contact Wespath at **1-800-851-2201** (U.S.) or **011-1-847-869-4550** (international). Representatives are available Monday through Friday from 8:00 a.m. to 6:00 p.m. Central time. You may also e-mail your questions to **prcwebteam@wespath.org**, or write to Customer Service Team, Wespath Benefits and Investments, 1901 Chestnut Avenue, Glenview, IL 60025-1604, USA.

EY Financial Planning Services representatives are available at **1-800-360-2539** (U.S.) or **011-1-201-872-5823** (international). To schedule a consultation, visit **wespath.eynavigate.com**.





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Caring For Those Who Serve

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