

## FINANCIAL PLANNING

# Communicating Your Last Wishes

You may have always helped and guided your family members—that shouldn't end just when they need you most. Many people find planning for death or sudden incapacitation hard to think about, but having instructions in place can make things easier when the time comes.



It's important to make the necessary arrangements even if you don't have a lot of money or assets for your family to inherit. If you don't make decisions now, those decisions may default to relatives (who may not know what you want or may have different beliefs than you do) or

*Creating a checklist is a good way to help your family.*

even to the state authorities. Planning also can help keep the peace—being clear about your intentions can prevent family disputes.

## GET ORGANIZED

It is extremely important that you tell a trusted person (e.g., your spouse, attorney, executor, etc.) where important records can be found in case you are incapacitated or die. Also be sure to keep the following information up-to-date and accessible to that trusted person, but protected from others:

- Copy of your will, living will, powers of attorney and trust, if any
- Inventory of assets, accounts and insurance policies
- Contact information for investments and financial firms that hold the individual and family assets, current and past employers (e.g., your church and conference office) and your attorney, if any

- Beneficiary designations and associated retirement plans or accounts  
*Note: Be sure to keep your beneficiary(ies) contact information updated*
- List of credit cards and instructions for cancellation
- List of regular payments that must be made and method of payment (e.g., note if paid automatically from bank accounts or credit cards)
- Funeral instructions, if desired
- Contact information to notify family and friends
- Information on how to begin or claim pension and death benefits from your employer(s) and Social Security if your spouse/children qualify to receive survivor benefits
- Reminders to discontinue pensions, Social Security and other benefits that are not inheritable
- Instructions for discontinuing other services (e.g., subscriptions, gym memberships, cell phone contracts, etc.)
- List of safe deposit box contents
- Instructions for freezing credit reports (prevents fraudulent use of credit)

Creating a checklist is a good way to help your family. See the AARP website for an example ([www.aarp.org/home-family/friends-family/info-06-2012/when-loved-one-dies-checklist.html](http://www.aarp.org/home-family/friends-family/info-06-2012/when-loved-one-dies-checklist.html)).

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## PUT IT IN WRITING

The following are key documents that you can prepare, or have professionally prepared, depending on your situation.

**Wills**—Elect a personal representative to carry out your final wishes; name guardians for your dependent children; indicate how your final expenses are to be paid and how your remaining assets are to be distributed; and list bequests that you wish to make.

**Living wills**—Spell out preferences about certain life-sustaining treatments to help guide the hospital or your agent when making decisions about your care.

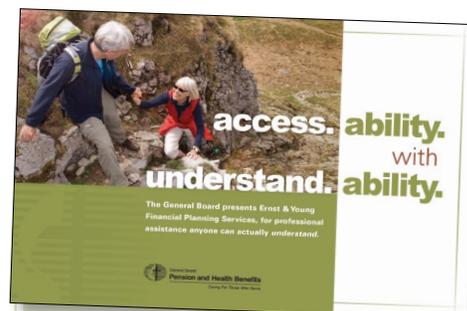
**Trusts**—Distribute property in ways that cannot be handled in a will; mitigate the tax burden to heirs; make decisions about how your affairs will be handled in case

you become incapacitated; arrange care for a dependent with special needs; and protect financial privacy.

**Durable health care powers of attorney**—Identify the person who will make medical decisions (e.g., whether to use or terminate life support systems) in the event of your incapacity (also referred to as “health care advance directives” or “health care proxies”).

**Durable powers of attorney for financial matters**—Identify the person who will direct your financial affairs (e.g., pay bills and cancel memberships) if you are incapacitated.

*Note: Some states allow you to handle financial and health care powers of attorney in a single document.*



## Talk to the Experts

If you have questions about estate planning and how to get started, the General Board of Pension and Health Benefits (General Board)—your responsible choice—has arranged for confidential, objective guidance from professional financial advisors at no charge through EY Financial Planning Services.\* To learn more, visit [www.gbophb.org/retirement-services/ernst-young-financial-planning-services/](http://www.gbophb.org/retirement-services/ernst-young-financial-planning-services/).

\* Costs for these services are included in the General Board's administrative 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.

## RETIREMENT SAVINGS

# IRS Retirement Contribution Limits Increase for 2015

In 2015, you may contribute up to **\$18,000** (up from \$17,500) in before-tax participant contributions to retirement savings plans or **\$24,000** (up from \$23,000) if you will be age 50 or older by the end of 2015. Participants with 15 or more years of Church service may make an additional annual before-tax contribution of **\$3,000**; however, eligibility requirements and lifetime limits apply. If you have more than 15 years of service and want to contribute more than \$18,000 this year, or 24,000 if you will be 50 or older, please contact the General Board at **1-800-851-2201** and request a *403(b) Contribution Planner*.

Total contributions—before-tax, after-tax and plan sponsor contributions (if any)—cannot exceed the lesser of **\$53,000** (up from \$52,000) or **100% of your total compensation** (not including housing allowance amounts). Additional over-age-50 or 15-years-of-service contributions do not count toward this limit.

*2015—Contribute up to \$18,000 or \$24,000 (age 50+)*

## 2015 RETIREMENT SAVINGS CONTRIBUTIONS CREDIT (SAVER'S CREDIT)

The Saver's Credit allows before-tax retirement contributions *and* a federal income tax credit—a dollar-for-dollar reduction in the taxes you pay. To qualify, 2015 adjusted gross income cannot be more than \$61,000 (married filing jointly), \$45,750 (head of household), or \$30,500 (single, married filing separately or a qualifying widow or widower). It varies from 10% to 50% (up to \$1,000 per person). For more information, go to [www.irs.gov](http://www.irs.gov).

## RETIREMENT EXPENSES

# Good Health Now Pays Off Later

Focusing on your health now can pay off when you retire—with lower health care expenses and more savings. These simple steps can improve your physical health *and* long-term financial wellness.

Your physical health and financial comfort in retirement are more connected than you may think. The Employee Benefit Research Institute estimates that a 65-year-old couple with average prescription drug expenses will need at least \$300,000 to pay medical bills during retirement, including premiums for Medicare supplement insurance. Add a condition like heart disease, diabetes or cancer to the equation, and medical costs soar.

### SHOTS AND SCREENINGS— STEPS TO HEALTH SAVINGS

While there are no guarantees for a healthy future, prevention and early detection usually can reduce the need for medications, complex treatments and hospital stays. Lower health care utilization translates to lower expenses.

In addition to living a healthy, active lifestyle, vaccinations and screenings are simple methods for prevention and early detection—and important steps for staying well.

**Prevention:** Vaccines can prevent many major illnesses or keep symptoms mild

if the illness does occur. The most common adult vaccines target influenza (flu), pneumonia and shingles. The Centers for Disease Control and Prevention (CDC) recommends annual flu shots, noting that young children and older adults face higher risks for serious complications. Many pharmacies administer low-cost vaccinations without appointments, but be sure to check with your physician first.

**Early detection:** Screenings offer early detection for heart disease, diabetes, osteoporosis and some types of cancer. In most cases, an early diagnosis allows for more effective treatment and lower long-term treatment costs. Common screenings include: blood pressure (heart disease risk); blood sugar/glucose (diabetes); mammography, PAP tests and colonoscopy (cancer).

### THE PAYOFF

Better health means lower health care costs—fewer medications, hospitalizations



and doctor visits—so you can save more money for retirement expenses or activities you've anticipated during your career.

Talk with your doctor about which vaccinations and screenings are right for you. More information is available at: [www.gbophb.org/center-for-health/](http://www.gbophb.org/center-for-health/), [www.cdc.gov](http://www.cdc.gov) (search "Vaccinations"), [www.healthypeople.gov](http://www.healthypeople.gov) and [www.uspreventiveservicestaskforce.org/](http://www.uspreventiveservicestaskforce.org/).

## INVESTING

# Introducing a New Fund Option



On January 1, 2015, the General Board introduced a new fund: the Equity Social Values Plus Fund (ESVPF). It invests in U.S. and non-U.S. domiciled publicly owned companies with highly rated sustainable policies and practices related to the environment, diversity, employee relations, human rights, product quality and safety. ESVPF is available to participants with accounts in General Board-administered retirement plans and to United Methodist-affiliated institutions.

Concurrent with the introduction of ESVPF, the General Board discontinued

the Balanced Social Values Plus Fund (BSVPF)—effective December 31, 2014. If you previously invested in BSVPF, be aware that ESVPF is composed primarily of equities (stock) and, therefore, carries greater investment risk than BSVPF. Investors in BSVPF who did not transfer all of their money out of the fund before December 31, 2014 had their balances reallocated. Additional information about the fund changes can be found in the ESVPF Q&A at [www.gbophb.org/esvpf-qa](http://www.gbophb.org/esvpf-qa).

## ONLINE ACCOUNT MANAGEMENT

# Get to Know the New Benefits Access

Benefits Access is the participant account management website. Since its launch in September 2011, it has been continually improved, introducing new tools and services—now that's *manage.ability!*



The most recent update introduced functionality that allows participants to **apply online for retirement plan benefits**. Online applications are easier than paper forms and interactive. They walk you through your elections step by step. As you answer the questions displayed, the subsequent options are affected, so that you only see information and questions that are pertinent to your situation. Online applications were developed to streamline the application process; they are offered for both defined benefit and

defined contribution plans administered by the General Board.

The website also offers:

- **Account information**—Review General Board-administered retirement plan account balances, transactions, investment returns and allocations, and more.
- **Retirement projections**—See your expected retirement income needs compared to your projected retirement income with the Retirement Readiness Tool; see

estimates of benefits from General Board-administered plans projected to a future retirement date with the Retirement Benefits Projection; or estimate your retirement income from defined contribution account balances with the LifeStage Retirement Income Calculator.

- **Financial education**—View articles on subjects related to account management and retirement planning.
- **Account management**—View and update contact details and beneficiary information; model and request loans; and sign up for the LifeStage Investment Management Service, LifeStage Retirement Income and Self-Managed Retirement Income.
- **Electronic delivery options**—Access account statements and *Hark* newsletter issues online—protect sensitive information from identity theft and preserve the environment.

If you have not visited the Benefits Access website yet, try it today. Registering is quick, easy and secure. Just go to [www.benefitsaccess.org](http://www.benefitsaccess.org), click “**New User Registration**” and follow the prompts. Learn more about Benefits Access at [www.gbophb.org/retirement/services/benefits-access/](http://www.gbophb.org/retirement/services/benefits-access/).

## REQUIRED ANNUAL DISCLOSURE TO CHURCH PLAN PARTICIPANTS

Retirement plans administered by the General Board are church plans that are not subject to registration, regulation or reporting under the Investment Company Act of 1940, the Securities Act of 1933, the Securities Exchange Act of 1934, Title 15 of the United States Code or 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 those provisions of those acts or laws. Therefore, plan participants and beneficiaries will not be afforded the protection of those provisions.