

Future Financial Security Starts Early



“Start saving and investing as soon as possible [and] take advantage of the advice and help you get through your annual conference and through Wespath!”

—Rev. Steve Mitchell

Rev. Steve Mitchell (center, shown with his parents) began to prepare for his financial future early in his career.

The Reverend Steve Mitchell retired in July 2018. Rev. Mitchell began his career as a music teacher before following the call—and his father, the Reverend Verle Mitchell—into ministry.

Rev. Mitchell and his wife began to prepare for their financial future early in his career. They contributed toward their retirement savings and made sensible investments. Those choices, along with the benefits provided by the Church through Wespath, gave him “a sense of security and, thus, did allow me to focus on my ministry,” he says.

There are, however, choices he would change. “Unquestionably, we could have done more [to prepare for retirement].”

The knowledge that they would be “reasonably secure financially in retirement,” made the decision to retire easier. “We were able to focus more on the completion of our work and making the move into our retirement home.”

Although he felt that the retirement process was “extremely smooth,” Rev. Mitchell and his wife are facing some immediate expenses in retirement—replacing two cars with over 200,000 miles and remodeling their home. He

feels secure in the knowledge that the Church, and God, will provide, but is still cautious. He wonders, “Will we run out of money before we run out of life?” The unknowns help him avoid “going wild” with home remodels.

Clergy who have just begun their careers in ministry should “Start saving and investing as soon as possible [and] take advantage of the advice and help you get through your annual conference and through Wespath!” says Rev. Mitchell. To those who are nearing retirement, he counsels, “Wespath offers great tools—use them.”

Rev. Mitchell used Benefits Access (benefitsaccess.org) to learn about his retirement distribution options and to submit his benefit applications online. He says “[The tools and online application] were very helpful, and it was easy.” He also learned valuable information in his conference’s pre-retirement seminars, so he encourages others to “be sure to attend!”

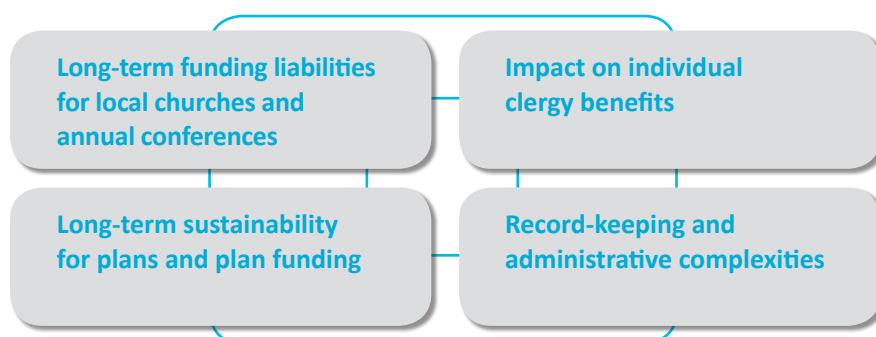
Reverend Mitchell is grateful for “the church’s commitment to pension and health insurance benefits.” Those benefits are essential to the financial security he and his wife now enjoy.



Commission on a Way Forward Report— Wespath *Appendix*

The Commission on a Way Forward (Commission) released its report to the Special General Conference 2019 in July. The report includes an appendix—requested by the Commission and authored by Wespath—which analyzes the potential impacts of the three proposed plans on clergy pensions in the United States, as well as related effects on local churches and annual conferences.

The *Appendix* summarizes Wespath’s analysis of potential impacts of different Church scenarios, including insights on:



While Wespath does not recommend any particular scenario, we are prepared to make whatever changes are required to continue serving the Church in whatever form it takes, while caring for those who rely on the benefit plans for their retirement security.

Wespath believes that a changing society (globally and in the United States), along with potential disruptive changes to the structure and governance of the

Church—including shifting demographics and the declining membership of the U.S. Church—necessitate a change to the U.S. clergy retirement plan. We believe a transition from a traditional pension to an account-balance-type plan would be more sustainable over the long term. We are evaluating plan design changes to present to General Conference 2020 that we believe will help the Church achieve that goal.

CIRCUIT RIDER

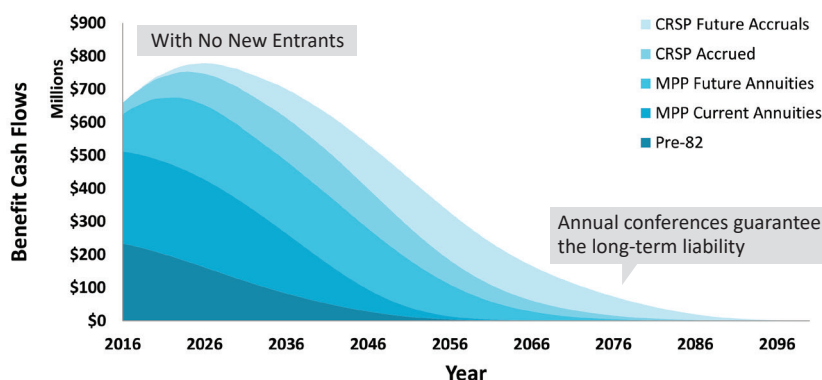
DECISION 2019

Circuit Rider’s *Decision 2019* issue (August-October 2018) offers diverse voices on the pivotal decisions facing UMC General Conference 2019 delegates, including a column from Wespath’s General Secretary Barbara Boigegrain. It’s a worthwhile read for UMC clergy, lay and members—available online at ministrymatters.com/circuit_rider.

Wespath’s detailed analysis appears in *Appendix 4—Wespath Resource to the Commission’s Report*, available at umc.org/topics/general-conference-2019-special-session.

Read more about the possible impact on plans, participants, plan sponsors and sustainability at wespath.org/WayForwardWespathFAQ/.

Long-term Liability of Pension Payments Unsustainable for Conferences



Wespath is evaluating retirement plan design changes to present to General Conference 2020 that will help the Church achieve the goal of long-term sustainability.

Down with Debt

October 21-27 is National Retirement Security Week. While only two-thirds of American workers are saving, those who are saving generally save less than would be required to fund a financially secure retirement. So what barriers may be preventing you from reaching your retirement savings goals?

Debt is one of the top reasons that people put off saving for retirement. Having to divert your income to debt payments can make it difficult to start building for your financial future. Total outstanding U.S. consumer debt is almost \$4 trillion—that doesn't even include installment debt like student and vehicle loans, and mortgages.

In fact, debt is so pervasive and problematic that more than 1 in 10 Americans expect to be in debt for the rest of their lives, according to the *2018 Planning and Progress Study* from Northwestern Mutual.

But that doesn't have to be your reality.

Debt repayment strategies can help you get a handle on what you owe, so that you can focus on your financial future. Wespath offers professional assistance with your repayment plan from the experts at EY Financial Planning Services¹.



Talk confidentially, one-on-one with a financial planner who can address your financial questions or concerns. Call EY at **1-800-360-2539** or visit their website at wespath.eyfpc.com.

¹ Costs for EY Financial Planning Services are included in Wespath's operating expenses that are paid for by the funds. EY Financial Planning 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.



Last Month's Poll Results:
The majority of our 151 respondents (45%) expected to need \$1–2 million for retirement. Find out for yourself on Benefits Access (benefitsaccess.org).

Is it Time to Take Your Required Minimum Distribution (RMD)? Did you turn 70½ this year? It might be time for your RMD!

You must begin receiving RMDs from your retirement plans by April 1 of the year following the later of the year in which you reach age 70½ or the year in which you retire or terminate. If an RMD is required and not taken, the IRS may impose a penalty equal to 50% of the distribution that you should have taken. Although Wespath automatically calculates and distributes RMDs to our plan participants, you are responsible for satisfying IRS rules. Learn more at wespath.org/assets/1/7/3641.pdf or contact EY with questions.



Investment Solutions for United Methodist Organizations

FOUNDATIONS • COLLEGES AND UNIVERSITIES
CHILDREN'S HOMES • HEALTHCARE INSTITUTIONS
OLDER ADULT MINISTRIES

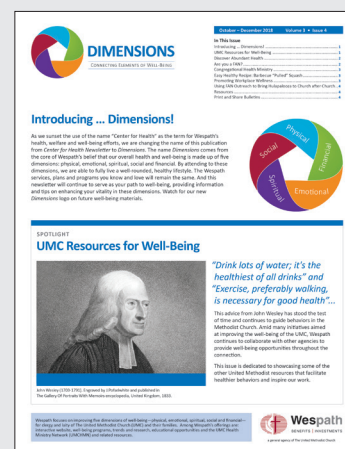
Contact Us: 847-866-4100

Wespath

Investment Management

a division of Wespath Benefits and Investments

Improve Your Well-Being with the *Dimensions* Newsletter



The Center for Health newsletter has a new name: *Dimensions*. In the October issue, we spotlight Global Ministries' Abundant Health, explain Faith Activity Nutrition and share inspiring stories. Visit wespath.org/benefits/newsletter.

Wespath Joins Archbishop in Low-Carbon Transition Summit

“Church—in partnership with others—can play a leading role in tackling climate change.”

—Justin Welby

Wespath joined the Archbishop of Canterbury, Justin Welby, and global sustainable investment leaders for the Transition Pathway Initiative’s (TPI’s) first Asset Owners State of Transition Climate Summit, July 2 in London.

The Summit focused on how organizations and governments can support the transition to a low-carbon economy as a way to impact climate change, and how asset owners can influence this transition through sustainable investment strategies.

In his keynote address at the Summit, the Archbishop of Canterbury noted that the “Church—in partnership with others—can play a leading role in tackling climate change.” (Transcript of his remarks available at wespath.org/archbishop.)



TPI members, including the Archbishop of Canterbury, Justin Welby, and Wespath representative Kirsty Jenkinson, open the London Stock Exchange

TPI is co-led by the Church of England Pension Fund and the Environment Agency Pension Fund (U.K.). Wespath was a founding member of TPI (launched in January 2017).

Wespath’s participation in TPI and the Summit are in alignment with our investment beliefs, specifically related to a global transition to a low-carbon economy. Read more about our low-carbon transition belief below.

Principled Fund Management

We continue our series highlighting Wespath’s investment beliefs, which help define our investment philosophy, while aligning our products and services with the principles of The UMC.



Investment Belief: Low-Carbon Transition—Driven by the world’s assessment of environmental risks, a global transition to a low-carbon economy is underway. We believe public policies, emerging technologies and physical impacts associated with concerns about climate change are creating winners and losers across companies, industries and countries, impacting investment returns. As prudent fiduciaries, we must assess these global risks and opportunities in the management of our funds. That’s why Wespath actively engages with companies and policy-makers to adopt practical and impactful low-carbon transition strategies.

To view all of our investment beliefs, visit wespath.org/assets/1/7/5060.pdf.

Moving Expense Explainer Video Now Available



A change to tax law means that moving expense payments are now subject to income tax and SECA taxes—whether made directly to a moving company or reimbursed to you. Wespath developed a video to help explain the law. View the video and other helpful resources at wespath.org/movingexpenses.