Discipline Petitions for the Future

GENERAL CONFERENCE 2020

a general agency of The United Methodist Church
Wespath’s legislation for General Conference 2020 (GC 2020) is future-focused. Petitions submitted and supported by Wespath anticipate a future United Methodist Church (UMC) changed by shifting demographics, financial constraints and potential UMC restructure.

**Wespath’s top-most priorities are:**

- Caring for those who serve—now and in the future
- Assuring long-term sustainability of benefits for those who serve
- Serving the UMC and any new expressions of Methodism that may emerge
- Helping United Methodist-related institutional clients meet their investment and mission objectives while honoring the values of the UMC
- Sustainable investing that thoughtfully integrates environmental, social and governance (ESG) factors and Church values into our investment strategies

**About Wespath**

Wespath is one of the 13 general agencies serving the UMC. Wespath is the benefits administrator for the Church—administering retirement, health, disability and death benefits for over 100,000 clergy, lay employees and their families.

Our reach is global. Through the Central Conference Pensions program, Wespath helps administer pension funds for retirees and their spouses in 69 conferences in Africa, Philippines and Eurasia.

Wespath is independently funded, and does not receive any general church funds.

**About Our Name**

In July 2016, we changed our operating name from the General Board of Pension and Health Benefits to Wespath. Our name reflects our heritage as an agency of the Church:

- **Wes** honors John Wesley, our Wesleyan heritage, and John Wesley’s commitment to social justice.
- **Path** refers to our goal of providing participants and institutional clients with a path to follow in achieving retirement, well-being and investment objectives.

**Wespath Governance**

Petition 20213 – FA  

*Discipline Section IX (¶1501–1509)—GBPHB-Wespath Name*

**What it is:** Legislation would formally change the agency’s name to Wespath throughout *The Book of Discipline* and *Book of Resolutions*, replacing “General Board of Pension and Health Benefits.”

**Why it is recommended:**

- Since 2016, Church stakeholders have embraced the Wespath name.
Petition 20220 – FA

Retirement Plan for U.S. Clergy—(¶1504.1)

A new retirement plan for U.S. clergy is proposed to meet the changing needs of the Church. Called “Compass,” the plan design supports longstanding UMC values:

• Providing lifetime income,
• Assuring adequate retirement income for lower-paid clergy, and
• Addressing emerging needs such as helping newly ordained clergy who have seminary debt.

What it is: The new Compass plan would be an account-based plan that has contributions from the Church (local church or annual conference), contributions from the clergy participant, and investment earnings. Eligibility is the same as the current Clergy Retirement Security Program (CRSP). Clergy will not lose benefits earned through current or prior plans.

Why it is recommended:

• Increases sustainability, assuring reliable benefits for future generations
• Balances affordability for conferences with retirement income adequacy for individuals
• Provides flexibility:
  — Allows benefit portability for clergy who switch conferences or leave the UMC
  — Enables leaving account balance to heirs

Compass is designed to meet the changing needs of the Church.

More plan details at wespath.org/GC2020
• Highlights
• GC 2020 petitions
Other Benefit Plan Changes for Eligible U.S. Clergy

Petition 20227 – FA

¶1504.1 Clergy Retirement Security Program (CRSP)—current mandatory retirement plan

What it is: Closes the plan for new benefits as of December 31, 2022. CRSP would be replaced with new Compass plan for clergy service as of January 1, 2023. Provides transition rules from CRSP to Compass, and other technical updates. Amends the definition of compensation for greater flexibility and church control.

Petition 20222 – FA

¶1504.1—Mandatory Plans and New Clergy Defined Contribution Retirement Plan

What it is: Seeks shared governance of the retirement plan between General Conference and Wespath. Incorporates into the Discipline core connectional benefit design features of the Compass retirement plan (submitted in a separate petition); provides limited amendment authority to Wespath over legal and administrative provisions. Makes other technical changes, including updating plan names.

Petition 20228 – FA

¶1504.1—Comprehensive Protection Plan Amendments

What it is: Amends Comprehensive Protection Plan (CPP, the clergy welfare plan) to harmonize all death benefits to flat dollar amounts. Creates a new temporary disability benefit for eligible participants. Extends the Voluntary Transition Program through 2028. Permits CPP to support funding of pension plans in certain circumstances.

Wespath Governance

Petition 20214 – FA

¶1502.1—Membership (Wespath Board of Directors)

What it is: Reduces size of Wespath’s board of directors from 32 members to 23.

Why it is recommended:
- Cost-savings—smaller board reduces travel costs for meetings and allows other cost savings.
- Specialized knowledge—flexibility to appoint directors with expertise in benefits, law, investments, etc.
- Consistent with other UMC agencies—most general agencies have reduced board size since GC 2012.
- Diverse representation—permits some directors for closely connected faith traditions, strives for increased diversity, assures ample jurisdictional representation.

Petition 20216 – FA, Petition 20215 – FA

¶1502.3, ¶1502.4—Wespath Committees/Meetings

What it is: Removes unnecessary Discipline language regarding Wespath’s meetings and committees.

Why it is recommended:
- Efficiency—Reduces Discipline text and permits Wespath flexibility to set meetings, quorums and committees according to agency bylaws.
Wespath Services

Petition 20221 – FA

¶1504.2—Wespath Voluntary Benefit Plans

What it is: Clarifies the Church’s understanding of “affiliation with The United Methodist Church” in regard to benefit plans to include organizations that are associated with, share common religious bonds and convictions with, or have historical connections to, The United Methodist Church.

Why it is recommended:
•  Flexibility and continuity—ensures that any emerging expressions of Methodism can rely on Wespath’s services.
•  Protection of church plans—helps protect plans from secular regulators deciding what “church” means.

Petition 20223 – FA

¶1504.16—Institutional Investors

What it is: Clarifies the Church’s understanding of “affiliation with The United Methodist Church” as relates to institutional investors, including organizations that are associated with, share common religious bonds and convictions with, have historical connections to, or are otherwise related to the UMC. The petition also describes Wespath’s fiduciary duty to institutional investors as distinct from its duties to plan participants.

Why it is recommended:
•  Flexibility and continuity—ensures that any emerging expressions of Methodism can rely on Wespath’s services.
•  Protection of church investors—helps protect investors from secular regulators deciding what “church” means.

Petition 20224 – FA

¶1504.20—Central Conference Pensions (CCP)

What it is: More accurate description of Wespath’s role and expectations related to the CCP program.

Why it is recommended:
•  Describes Wespath’s collaboration with other general agencies regarding CCP program.
•  Modernizes description of CCP program.
•  Clarifies Wespath’s consultative role with individual Central Conferences on pension funding and local administration.

Central Conference Pensions provides long-term retirement security for faithful UMC servants in 69 Central Conferences.
Other Discipline Updates (clean-ups and clarifications)

Petition 20648 – FA

¶640—Joint Distributing Committee Cross Reference

**What it is:** Adds a cross-reference to the joint distributing committee text in ¶1509 within the annual conferences ¶600s.

**Why it is recommended:**
- Improves understanding of processes for conference stakeholders; useful in annual conference merger or division circumstances.

Petition 20225 – FA

¶1504.21—Health and Wellness Information (“Health as Wholeness”)

**What it is:** Wording changes such as “may use” instead of “shall use.”

**Why it is recommended:**
- Revises description of wellness-focused practices to be more aspirational, more collaborative with other UMC agencies, and more aligned with other health care and research organizations.

Petition 20230 – FA

Move Discipline paragraphs about Conference Boards of Pensions to Annual Conferences section

**What it is:** Moves information and paragraphs related to annual conference duties from Discipline’s “Wespath” section (¶1500s) to “The Annual Conference” section (¶600s).

**Why it is recommended:**
- Reorganizes Discipline paragraphs in more appropriate sections; reduces redundancy.
- Moves these paragraphs to ¶639:
  - ¶1506—pension duties of annual conferences
  - ¶1507—annual conference duties for financing pension and benefit programs
  - ¶1508—investment policies related to financial administration of annual conference pension and pension-related funds

Petition 20226 – FA

¶1504.8—Cost Allocation of Mandatory Plans

**What it is:** Wording change: replace “annual conferences” with “plan sponsor.”
- Improves accuracy and flexibility.

Petition 20229 – FA

¶1505—General Agency Pension Credit

**What it is:** Deletes outdated portion of ¶1505, which is reflected in Retirement Plan for General Agencies (RPGA).
- Streamlines Discipline text.
Church Investment Ethics

Petition 20266 – GA

¶717—Sustainable and Socially Responsible Investments

What it is: Encourages UMC investors to engage government leaders and policymakers, as they do corporations, to support sustainable and socially responsible investment practices.

Why it is recommended:
• Aligns investment practices with UMC Social Principles, balanced with fiduciary duties.
• Enables a “voice at the table”—Church-related investors (including Wespath) can engage corporations and governments to create positive change related to human rights issues, climate-risk and other issues.

Our framework of Invest—Engage—Avoid drives Wespath’s investment activities. Read more at wespath.org/si.

Legislative Collaboration

Petition 20725 – CO

U.S. Regional Conference

Wespath strongly supports the Connectional Table’s proposal for a U.S. Regional Conference. We played a key role in developing this legislation—in collaboration with Connectional Table and other denominational partners.


Why it is recommended:
• Would be same as Central Conferences governance. Would allow the same level of autonomy for U.S.-specific matters that the Church outside the U.S. already has.
• Global focus—allows for more time at General Conference to focus on connectional matters that impact our global Church.
• Shifting global demographics—General Conference delegates are increasingly from conferences outside the U.S., yet use a disproportionate amount of GC time on petitions that have no impact outside the U.S.
Legislative Collaboration

Petition 20652 – FA

¶615, 622, 639, 818—Proportional Payment (co-submitted with NAAct and AUMCPBO*)

What it is: Removes out-of-date language regarding clergy salaries.

Why it is recommended:
• Aligns Discipline with common business practices; gives annual conferences flexibility.

*NAACT: National Association of Annual Conference Treasurers; AUMCPBO: Association of United Methodist Conference Pension and Benefits Officers