As we prepare for General Conference 2020, Wespath also has considered potential restructure scenarios that could occur for The United Methodist Church. We have been in dialogue with all major groups that have proposed UMC restructure, including plans for separation, disaffiliations, new expressions of Methodism or other restructure scenarios. Wespath’s position on all such proposals is neutral.

Guided by Our Mission

Wespath is prepared to continue fulfilling our mission of caring for those who serve well into the future—under any foreseeable scenario in the denomination. We are focused on striving to assure that the plans we manage and the funds we invest remain sustainable for future generations, and that clergy don’t lose benefits earned for their years of UMC service.

As we have for over a century, Wespath is committed to the people, local churches, annual conferences and other church-related organizations that do ministry around the world.

Wespath’s Priorities (in the event of major UMC restructure)

As we plan for an uncertain future, Wespath is focused on:

• Protecting participants’ benefit plans, including benefits earned to date
• Seeking to assure that benefit plans are sustainable, affordable, and flexible to adapt to changing needs in the future
• Serving the UMC and any new expressions of Methodism
• Minimizing burdens on the Church with respect to pension benefits already earned
• Mitigating risks to plan sponsors (annual conferences)

Wespath’s approach for pensions is incorporated into many stakeholder proposals for Church restructure.

Indianapolis Plan
• Next Generation UMC Plan
• Bard-Jones Plan
• N.E.W. Plan
• Protocol of Reconciliation & Grace through Separation

Wespath’s Commitment to Those Who Serve

Wespath is available to serve all Methodist expressions that could emerge in the foreseeable future. We are authorized by The Book of Discipline to administer benefit plans for annual conferences, large or small groups of churches, or even a single church that might change its affiliation with the UMC.

We serve a global denomination and intend to continue our partnership with conferences outside the U.S. through the Central Conference Pensions program.
Continuing Our Mission of Caring for Those Who Serve

Provisions added to the *Discipline* (e.g., ¶1504.23 and ¶2553) in February 2019 (GC 2019) apply if individual clergypersons or local churches terminate their UMC relationship.

Clergy Benefits

Clergy who exit the UMC will not lose pension benefits they have earned for years of UMC service. However, the form of their benefits may change, depending on the path they take.

Wespath’s Contingency Legislation: New ¶2555

Wespath has been planning contingencies for potential UMC restructure. The details below focus primarily on pension benefits for U.S. clergy.

Why

Wespath has been listening to dialogues of stakeholders around the denomination from all perspectives. We’ve heard that many view the pension withdrawal payment approved in St. Louis (¶1504.23) as a barrier to moving ahead and continuing their Wesleyan-rooted ministry as a New Expression. We also realize that converting clergy pension benefits for potentially hundreds of individual clergy is impractical in the event of a large-scale separation into new expressions of Methodism.

Our alternate proposal—a new *Discipline* ¶2555 for consideration at GC 2020—responds to these concerns while still mitigating risks to benefits.

What

Wespath’s petition (new *Discipline* ¶2555—Pension Matters for Disaffiliating Church Units) would enable continuity of benefits and funding in much the same manner as exists today—in the event of large-scale movement of clergy, local churches or annual conferences.

This proposal provides that the New Methodist Expression retains financial/legal responsibility for pensions of clergy that transfer from the UMC to the New Expression and assumes future benefit responsibility for its clergy.

Local Churches and Annual Conferences

Local churches that change their affiliation have different paths—depending on circumstances. One of these two approaches would apply: either ¶1504.23 (and ¶2553) (both approved by GC 2019) or ¶2555 (submitted to GC 2020 and incorporated into key restructure proposals).

**PATH 1**

Individual churches or groups of churches that will not continue sponsoring clergy pension benefits: ¶1504.23 (and ¶2553) apply

- Local church would pay a withdrawal payment to the conference they are leaving, to cover the long-term pension obligation for their clergy and retirees.

**PATH 2**

Large groups of churches that disaffiliate to form or join a New Methodist Expression: ¶2555 approach applies (if the New Expression is viable as a plan sponsor)

- New Expression agrees to sponsor and fund pension benefits.
- No withdrawal payment.
- Clergy’s accrued pension benefits are not converted to an account balance (UMPIP). Pension benefits would be supported by the New Expression and administered by Wespath.
- New Expression has a new plan that is separated from the UMC plan.

When is a group of churches “viable” as a plan sponsor?

Viability to become a plan sponsor considers factors like scale, membership, financial stability and governance structure. For example: a group of 30 local churches might not be viable as a plan sponsor if they are geographically spread across the U.S. But, a small annual conference from a New Expression might have sufficient scale and structure to be a viable plan sponsor.

Wespath’s pension disruption legislation applies only to annual conferences and local churches in the U.S.