

GC 2020 Legislation—Wespath Board of Directors

What it is: Reduce overall number of individuals on Wespath’s board of directors; expand number of directors who have specialized knowledge and background [Petition 20214 on page 517-518 of the [Advanced Daily Christian Advocate \(ADCA\)](#)—Volume 2, Section 1]:

- [Petition](#)
- [Rationale](#)

Q1: Why does Wespath want to reduce the number of board members from 32 to 23?

A1: A smaller board of directors can be more efficient and more nimble to respond to changing needs. A smaller board also would save money related to meetings, travel and administration.

Nearly all other general agencies of The United Methodist Church (UMC) have reduced the size of their boards since General Conference (GC) 2012. Wespath wants to align its board of directors with what other UMC general agencies have done. For example, GC 2012 approved changes to seven general agencies’ boards, which trimmed board membership from 358 to 162 (for the seven agencies combined). GC 2016 approved reducing the board membership of two additional agencies.

Q2: Will only 5 board members elected by the jurisdictional conferences allow for sufficient representation?

A2: With five directors elected by the U.S. jurisdictional conferences (one per jurisdiction), Wespath’s streamlined board would have the same number of jurisdictional-elected directors as five other UMC general agencies.

Wespath’s unique focus in serving the Church makes it especially helpful to include people on its board who have specialized knowledge and background in areas such as employee benefits, accounting, actuarial science, law, cybersecurity, and investment management, among others. When recruiting board members with specialized knowledge, Wespath will continue to consider jurisdictional representation and rely on jurisdictional nominating pools for a supply of candidates. As a result, many of the directors elected by Wespath for their specialized knowledge will come from the jurisdictional conferences.

In addition, generally Wespath directors must be professing lay members of UMC local churches or clergy members of annual conferences. In particular, as annual conference members the clergy directors bring a U.S. jurisdictional perspective to the Wespath board. The proposed smaller board would require at least five directors be UMC clergy who are not bishops.

Q3: Why would the board have only one representative from the Central Conferences?

A3: This remains unchanged from Wespath’s current board structure.

The majority of Wespath’s work, participants and assets are U.S.-based, and the clergy benefit plans that Wespath administers are for U.S. clergy—so having a single Central Conferences representative on its board aligns with most of Wespath’s work.

Many Central Conferences have their own pension plans, which are governed at the episcopal area or national level. Wespath provides administrative support but does not manage Central Conferences’ plans.

Wespath does maintain the Central Conference Pensions program (the result of a multi-quadrennium UMC-wide fundraising effort), which provides benefits for already-retired clergy and survivors in many Central Conferences. That work generally entails Wespath transferring funds to Central Conferences annually, which they distribute to pensioners. Although Central Conferences represent less than 10% of Wespath participants and a fraction of 1% of Wespath's assets under management, Wespath believes it is important to maintain some Central Conference representation on our board of directors.

Q4: Why is it important for Wespath's board of directors to include members with specialized knowledge?

A4: Wespath's petition to GC 2020 would permit Wespath to appoint more board directors who have specialized knowledge in certain areas (for example: benefits specialists, lawyers, actuaries, investment managers and cybersecurity experts). Such specialized knowledge is increasingly useful as Wespath's services become more complex. Individuals with specialized knowledge can provide the professional governance oversight that a \$25 billion enterprise like Wespath demands.

Q5: How will Wespath strive for diversity on a smaller board of directors?

A5: Diverse representation from varied perspectives continues to be a priority for Wespath. The petition for a smaller board:

- Requires Wespath to aim for at least 30% of its board to be women and persons from racial and ethnic minorities;
- Permits up to three members from our broader Pan-Methodist and World Methodist family or other full communion partners of the UMC;
 - This addition would assist Wespath in serving potential new expressions of Methodism that might be formed if a plan of reorganization or division is approved by the GC 2020.
- Includes space for feedback from advisory boards, such as Wespath's Young Leaders Advisory Board (Y-LAB) and our Conference Benefits Officer Advisory Board.

Wespath's General Conference webpage: www.wespath.org/gc2020

- Links to most of our petitions and rationales
- Links to support materials