

GC 2020 Legislation—Contingency Planning: Retirement Plan for General Agencies (RPGA)

Proposed edits to *Book of Discipline* ¶1504.1 (Contingency Changes to Retirement Plan for General Agencies) [Petition 20219 on page 519 of the [Advanced Daily Christian Advocate \(ADCA\)](#)—Volume 2, Section 1]:

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

Q1: What are the provisions of Wespath’s petition that would amend the Retirement Plan for General Agencies (RPGA) in the event of a Church disruption?

A1: Wespath has submitted a petition that would amend RPGA in the event of certain Church disruption scenarios. If approved by the 2020 General Conference (GC 2020), the petition would give the general agencies of The United Methodist Church (UMC) the flexibility of a voluntary defined contribution plan that would not be governed solely by the General Conference. [RPGA currently is subject to General Conference; it can only be amended by GC approval (generally every 4 years).]

If the petition is approved, the following changes would occur:

- *Participants’ existing RPGA accounts would be moved to the United Methodist Personal Investment Plan (UMPIP). The RPGA defined contribution program would close. This would result in participants maintaining one consolidated account (UMPIP), rather than two separate accounts (UMPIP and RPGA).*
- *General agency contributions currently being made to RPGA would instead be made to UMPIP. The contribution rate (benefit level) would not change (unless an agency with the authority to do so makes a change).*

Note: Wespath’s petition would not change the current requirement whereby the nine general agencies that receive World Service funds would continue to be subject to the policies set by the General Council on Finance and Administration (GCFA), with input from the Committee on Personnel Policies and Practices (CPPP).

Q2: Why has Wespath submitted this petition?

A2: The petition is intended to accommodate circumstances that could occur if there is a significant disruption of the UMC. Under certain such disruptive circumstances, UMC general agencies could benefit from (or need) the flexibility of a voluntary defined contribution plan (such as UMPIP). Further, the petition seeks to protect payments of historical defined benefit obligations of RPGA, including defined benefits from legacy plans.

Q3: What disruptive circumstances would result in these changes to RPGA?

A3: The changes to RPGA described above would occur under the following situations:

- A General Conference reduction in the World Service Fund budget for the 2021-2024 quadrennium by 25% or more (compared with the 2017-2020 World Service Fund budget); or
- Apportionment payments collected by GCFA during any of the first three years of the 2021-2024 quadrennium falling short of either the 2017-2020 budget by 30% or the 2021-2024 quadrennial budget by 15% or more, when measured on a prorated basis; or
- A General Conference modification of the apportionment system of the Church in a manner that is deemed to be material by Wespath and GCFA.

Q4: Would Wespath’s RPGA petition support the sustainability of legacy defined benefit pensions included within the Retirement Plan for General Agencies (RPGA), in the event of Church disruption?

A4: Yes. The petition would help assure that the legacy plan defined benefit pensions payable under RPGA or its supplements are paid, even under disruptive circumstances for the denomination. Specifically, the petition would direct Wespath to retain the assets needed to pay these pensions until all are paid out to participants, or until an insurer assumed the annuities. The petition would similarly support annuities created for general agency employees under other legacy plans (e.g., the Personal Investment Plan, the Ministerial Pension Plan, etc.)

Q5: If approved by GC 2020, when would this change take effect?

A5: The effective date of the change would be **December 31, 2020** or as soon as administratively feasible, depending on the circumstances.

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

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