

hark!

Bringing you great tips for responsible investing

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April 2020

General Conference Update from Wespath's General Secretary

Dear Participant,

As you well know, the world is in a very different place than it was two months ago. We are in the midst of a worldwide pandemic that has shut down countries and continents. Social distancing and sheltering at home are new terms in the global vernacular. Investment markets are seeing new lows. We are living our lives and doing our work substantially differently—for how long we don't yet know. Although our employees are working remotely, they are fully equipped to assist you by phone or email.

As I prepare for what may come next, *you*—Wespath's plan participants and beneficiaries—are foremost in my mind. Wespath remains committed to protecting your benefits and the funding sources that are essential to assure benefits from Wespath are secured when you need them.

Our concerns have broadened beyond potential changes within The United Methodist Church. Even as we travel through this unprecedented time, let me assure you: Wespath has weathered challenges and market volatility over the course of 112 years. We will do so through these current challenges as well. Whether in the Church or in our world, Wespath stands as a calm, non-anxious servant amid uncertainty.

We must wait longer than planned for General Conference decisions about UMC benefit plans and Church structure. Yet, our focus remains on protecting your benefits long into the future. As your faithful steward, Wespath has been preparing for an array of scenarios that might unfold as the Church contemplates its future. While we cannot eliminate all risks, we have actively engaged the stakeholders negotiating the Church's future in order to mitigate risks to pensions and benefits as best we can. Wespath also has flexibility to serve new expressions of Methodism that might emerge.

It is my sincere hope that by the time you read this in print or online, we will have begun to "flatten the curve" of the COVID-19 outbreak around the world.



I am keeping each of you in my prayers during this difficult time.
May God bless you.

Yours in service,
Barbara A. Boigegrain
General Secretary,
Wespath Benefits and Investments

April is Financial Literacy Month!

Make time this month to focus on financial education. Gain your financial freedom by taking a small step each day toward your financial goals—such as reading financial articles, budgeting on a website or mobile app, and increasing your retirement contributions.

You may only save a little, but it's ok to start small. The key is to start now and increase your savings over time! Check the Wespath Facebook and Twitter accounts for our financial tips of the week.

Complete our quiz at wespath.org/r/FLMquiz by April 30 for a chance to win Wespath swag!



Wespath
BENEFITS | INVESTMENTS

The SECURE Act Changes RMD Age and Distribution Rules

The law governing Required Minimum Distribution (RMD) rules recently changed. Until this year, Wespath participants were required to begin retirement plan distributions by April 1 following the later of the year they turned age 70½, retired or terminated. Beginning January 1, any participant who had not yet turned 70½ will be required the later of April 1 following the year of attaining age 72, retirement or termination¹.

That is not the only change. The Act also changed the way beneficiaries are allowed to take distributions from a deceased participant’s account. Formerly, designated beneficiaries could receive an inherited account balance over their life expectancy. Now, beneficiaries of a participant who dies on or after January 1, 2020 must receive the entire account balance within 10 years. Exceptions apply for surviving spouses, as well as beneficiaries who are disabled or chronically ill, were born within 10 years of the participant, or are minor children (their 10-year limit begins when they reach the age of majority).



As a courtesy, Wespath notifies participants and beneficiaries well in advance of the date their RMDs must begin. We also automatically distribute RMDs by the required date to help ensure compliance with legal requirements, since late RMDs are subject to a 50% penalty.

We are working with our vendor to update our systems to reflect the new rules as soon as possible. Notification to participants and beneficiaries will be adjusted to reflect these rules.

¹If a participant’s required beginning date changes to age 72, the required beginning dates for related surviving spouses, alternate payees and non-spouse beneficiaries will also be impacted.

Basis Point Basics

Decoding the industry jargon used to report financial performance and data can help you better understand your personal investments.

For instance, you might hear a member of our Investments team use the term “basis point” when describing the performance of our investment funds. A basis point is a unit of measurement equal to 1/100th of one percent, which can be written out as “0.01%.”

This measurement is typically used to denote the percentage change of a value or index (i.e. “The Federal Reserve cut interest rates by 50 basis points in March.”) It may seem like a small figure, but it can have a noticeable impact!

What is a Basis Point?

- Basis points are also known as “bps” or “bips”
- 100 basis points is equal to 1.00%
- Fractional basis points can be useful in describing even more precise changes—1.5 basis points is 0.015%, 25 basis points is 0.25% and so on.

- Basis points are also used to measure fees associated with an investment. For example, in 2018 Wespath’s International Equity Fund (IEF) had an expense ratio of 0.74%, or 74 basis points. This means that the fund retained \$7.40 per \$1,000 invested.
- By contrast, the American Funds International Growth and Income Fund, a popular international equity fund with over \$17 billion in assets, has an expense ratio of 93 basis points, or \$9.30 per \$1,000 invested—an annual difference of +\$1.90 compared to IEF.



Learn About Your Benefits

Wespath offers benefits education throughout the year in several formats. Whether you join us at an in-person event hosted by Wespath or an annual conference, speak to one of our customer service specialists over the phone, stream a webinar or just learn at your own pace online, we want to empower you to make informed decisions about your benefits during your time with the Church and after you retire.

Wespath offers regular webinars on subjects such as retirement planning, benefits and well-being. This year, our **“What’s Your 2020 vision”** webinar series focuses on topics such as:

- Saving for retirement with UMPIP and debt reduction,
- The 5 dimensions of well-being,
- Making the most of HealthFlex benefits,
- Understanding Wespath-administered plans,
- Planning for retirement 10-15 years out,
- Preparing for retirement within the next 5 years and
- Finance basics.



To register for these special educational events, visit wespath.org/events.

Wespath also offers webinars that are focused specifically on investment topics. Investment webinars include the **Markets At-A-Glance** series, which examines factors impacting investment performance each month. You can find the investment webinars at wespath.org/r/mir. If you’d just like to read about investment performance, the *Monthly Investment Report*, which is available at wespath.org/news.

You can also view webinars on the EY Financial Planning Services website: EY Navigate™. Available webinars cover retirement readiness, Social Security, identity theft, taxes, debt, and more. **To register, visit <https://wespath.eynavigate.com>.**



Clergy—Want to learn about our plans in person?

Wespath offers semi-annual educational meetings. Your next opportunity to learn on site will be in Denver, CO in November.



revitup!—November 9-11

A unique opportunity for young clergy and spouses aged 25-39 to strengthen personal, financial and leadership skills.



Clergy Benefits Academy—November 11-13

An educational event for clergy of all ages and stages of ministry—new ordinands, early-career clergy, mid-career clergy, ready-to-retire clergy, district superintendents, clergy in extension ministries—and spouses. Learn about our plans, programs and services, and fellowship with your peers.

Register for our in-person meetings at wespath.org/events/.

We hope to see you online or on site soon!



Go Green to Support UMCOR

Still getting your quarterly account statements in the mail? Wespath is announcing a special opportunity to support the **United Methodist Committee on Relief (UMCOR)** by simply stopping your paper statements. We will donate \$10 to UMCOR for each participant who switches to e-delivery.

Electronic delivery is fast, easy and safe. It protects against mail identity theft. It also demonstrates stewardship of our environment and our fund expenses, which include mailing costs.

To switch to e-delivery, log in to Benefits Access at benefitsaccess.org, choose "Take Action" and under "Update Personal Data," select "Change electronic delivery election."

Sign up today to make your choice count—with \$10 dedicated to alleviating human suffering around the globe.

Coming Fall 2020

Saving Grace

A Guide to Financial Well-Being
Wespath/Abingdon Press

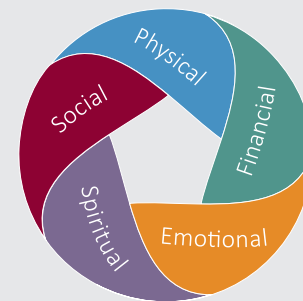


A new program—Saving Grace: A Guide to Financial Well-Being helps participants learn about such topics as saving, earning, giving, spending, and debt, along with helpful strategies for achieving a sustainable financial life. This study is adapted from the best-selling *Freed Up Financial Living* from the Good Sense Movement, is based on Wesleyan values, and provides text and tools to help participants address life concerns and reach personal financial goals.

KEY FEATURES

- Helps people of faith create healthy relationships with money and possessions.
- A DVD with financial experts who lead viewers through practical tips and help provide deeper understanding for a sustainable financial life.
- A Clergy Workbook is a special module addressing the financial issues unique to pastors.
- A 40-day devotional offers spiritual support for a new approach to financial health.

Watch for more details to follow in the coming months.



Improve Your Well-Being with the *Dimensions* Newsletter

The April issue of Wespath's *Dimensions* well-being newsletter is now available. Visit wespath.org/benefits/newsletter to learn how to get unstuck and destress as we help support your emotional dimension of well-being.

Wespath

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Serving the Missions
of a Broader Range of
United Methodist-Related Institutions

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CHILDREN'S HOMES • HEALTHCARE INSTITUTIONS
OLDER ADULT MINISTRIES

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