

hark!

Bringing you great tips for responsible investing

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January 2021



New Year, New Possibilities

The year 2020 was one-of-a-kind. Our communities and families endured illness, loss and other hardships. Yet despite unprecedented challenges, many of us found new ways to be connected while staying apart. We used creative ways to worship, learn, work and celebrate.

With 2020 behind us, 2021 opens with possibilities. The dawn of a new year gives us a fresh slate. It's a great time to "get your things in order."

However you kickstart the new year, put your best foot forward. Being organized and trying new things can open the new year to a world of possibilities. And it can do wonders for your physical and emotional well-being! Below are a few quick ways to get started.

1 Strive toward your resolutions.

Start small. If you vowed to trim your TV time, for example, try calling a friend instead of grabbing the remote. If you pledged to pay off debt, stretch yourself to higher payments through winter and spring.

2 Schedule your wellness checkups and screenings.

If you postponed seeing the doctor, dentist or other provider during 2020, it's time to schedule those appointments. Most healthcare providers are taking extra precautions to minimize coronavirus risk.

3 Make some 'me' time.

Think "new year, new habits." If you're someone who always puts others first, brainstorm ways to nurture your own needs. Take a morning walk. Do a 10-minute workout. Solve a crossword while the kids do homework. Ponder a daily inspiration or Scripture verse. Shake up dinner doldrums with new recipes. Listen to music. Dust off your tools and build something.



Wespath
BENEFITS | INVESTMENTS

Planning for 2021 and Beyond— Saving Grace: A Guide to Financial Well-Being

With 2020 in the rearview mirror and the open road of 2021 ahead, there has never been a better time to reflect on our personal financial well-being. You may ask yourself questions like, “What are some goals or intentions I may be considering that relate to earning, spending and charitable giving?” or “How can I best reach these goals, while also managing my debt?” Money is not always an easy topic of discussion—yet having a healthy relationship with our finances supports our holistic well-being.

Wespath—through the Clergy Financial Well-Being Initiative—in partnership with Abingdon Press (UM Publishing House) recently developed and launched *Saving Grace*—a six-part money management program for clergy and congregations. This unique

curriculum uses a biblical lens to shape healthy relationships with finances.

The principles discussed in *Saving Grace* align with the Wesleyan values that are core to United Methodism. Scriptural references to money are woven into the *Saving Grace* lessons.

In the first *Saving Grace* session co-host of the program Rev. Anna Guillozet says it well: “Oftentimes we think about our financial discipline as compartmentalized as just our bank accounts or saving accounts, but it truly is a spiritual discipline for us.”

The program includes videos, participant workbooks, a leader guide and devotional materials that reinforce concepts. Additional materials cover matters specific to clergy finances.



More Information

Available on the
Abingdon Press webpage
<https://abingdonpress.lpages.co/saving-grace/>.

2021 Contribution Limits

Many of the 2021 retirement plan contribution limits have not changed from 2020. In 2021, you can make contributions up to:

- \$19,500 in before-tax and/or Roth contributions; and
- an additional \$3,000 with 15+ years of UMC service (call Wespath for details); and
- an additional \$6,500 in catch-up contributions, if age 50 or over by year-end

With the **Saver's Credit**, you may be able to take a tax credit for making eligible contributions to your retirement plan, depending on your income. The 2021 income limits increase to:

- \$66,000 for married couples filing jointly,
- \$49,500 for heads of household and
- \$33,000 for singles and married filing separately

Health Savings Accounts limits increase. If you are in a high-deductible health care plan, your Health Savings Account limits are:

- \$3,600/individual or \$7,200/family, and
- additional \$1,000 for the owner of the HSA if age 55 or over by year-end



Required Annual Disclosure to Church Plan Participants

Retirement plans administered by Wespath are church plans that are not subject to registration, regulation or reporting under:

- Employee Retirement Income Security Act of 1974 (ERISA)
- The Investment Company Act of 1940
- The Securities Exchange Act of 1934
- The Securities Act of 1933
- Title 15 of the United States Code
- State securities laws

Similarly, the administrator and the trustee of the plans and the entities maintaining any investment funds under the plans are not subject to those provisions of those acts or laws.

Legislation Affecting Your Retirement Plans: CARES Act



The Coronavirus Aid, Relief, and Economic Security (CARES) Act, passed in March 2020, provided multiple forms of financial relief from the impact of COVID-19. See how these changes may impact you in 2021.

Required Minimum Distributions (RMDs) Waived for 2020

The CARES Act waived RMDs from defined contribution (DC) plans in 2020*. Due to this legislation, Wespath did not automatically issue RMDs in 2020. Participants who wanted an RMD were able to request one.

If you did not request an RMD or receive any other distributions from Wespath-administered plans in 2020, you will not receive a 2020 IRS *Form 1099-R*.

RMDs from DC plans will resume automatically in 2021. Participants who must take an RMD for 2021 will receive a letter from Wespath by September 2021.

*Includes initial RMDs due April 1, 2020 (if they were not distributed by December 31, 2019), RMDs due December 31, 2020 and initial RMDs due April 1, 2021.

Recontribution of Coronavirus-Related Distributions (CRDs)

The CARES Act allowed qualified individuals impacted by COVID-19 to take distributions of up to \$100,000 from their retirement accounts.

Participants who requested CRDs from Wespath will receive a 2020 IRS *Form 1099-R* early in 2021, for use in completing their tax returns. You can choose to partially or fully repay CRDs to UMPIP or Horizon to reduce your tax consequences and replenish your retirement savings. In addition, CRDs taken from other retirement plans outside of Wespath may be rolled into your UMPIP or Horizon plan. Please contact Wespath for more information.

Loan Repayments Resume in January 2021

The CARES Act allowed qualified individuals to request a delay of their UMPIP or Horizon loan repayments scheduled to be paid between March 27, 2020 and December 31, 2020. Loan repayments for these participants will resume in January 2021. Wespath mailed letters containing a new amortization schedule to these participants. Please contact Wespath if you did not receive your letter.

Know Your Investment Resources: 5 Webpages to Bookmark!

Wespath's Investments team helps fulfill our mission to care for those who serve by prudently managing your retirement assets. The team is always working to keep you informed by providing the resources you need to make informed financial decisions.

Bookmark these five webpages to stay in touch with the Investments team's latest information:

1 | News and Announcements

wespath.org/news

A landing page for the Investment Insights blog, as well as press releases, special commentaries and organizational updates.

2 | Funds

wespath.org/r/funds

The "home base" for information on each of the Wespath investment funds available to participants.

3 | Fund Performance

wespath.org/fund-performance

A summary of daily, monthly, quarterly and annual investment performance.

4 | Sustainable Investment

wespath.org/r/si

Provides an overview of our sustainable investing initiatives—includes links to information on our investment approach related to climate change and human rights, Wespath's Positive Social Purpose Lending Program, and more.

5 | Publications and Reports

wespath.org/r/publications

Features links to our latest Sustainable Investment Report, Monthly Investment Report and other useful investor documents.

Doing Good With Your Money: Tips From the Sustainable Investment Team

Wespath believes sustainable investment activities strengthen our potential to consistently provide strong, long-term financial returns and help you reach your investment objectives.

While Wespath is pleased to be recognized globally for these efforts and plans to continue leading sustainable investment conversations with our investment managers and peers, our Sustainable Investment Services (SIS) team is often asked how individuals like you can act locally as sustainable investors.

Being a Wespath participant is a good start! Our sustainable investment strategies are applied across each Wespath fund, and our vision for a sustainable global economy is supported throughout our investment approach.

But for those of you who want to expand your everyday impact, the SIS team put together a few tips.

TIP 1 GATHER INFORMATION FROM TRUSTED RESOURCES

There is *a lot* to know about sustainability and the economy. Check out resources from our industry partners—including Ceres, ICCR and Climate Action 100+—and follow these groups on social media.



TIP 2 CHOOSE A BANK THAT ALIGNS WITH YOUR VALUES

We believe the financial system can and should empower communities. You may consider banking through a local credit union or community bank that can reinvest more heavily in the areas in which they operate. The Global Alliance for Banking on Values and the United Nations-supported Principles for Responsible Banking also provide frameworks for evaluating how banks align with your values.

TIP 3 ENGAGE WITH COMPANIES

Shareholder engagement is a tool primarily used by institutional investors, but individual investors can also make their voices heard by corporate leaders. We recently spoke to a Wespath participant who wrote a thoughtful letter to a company's board of directors regarding the opioid crisis. The participant successfully encouraged the board to add awareness of opioid risk to its search criteria for future board members.

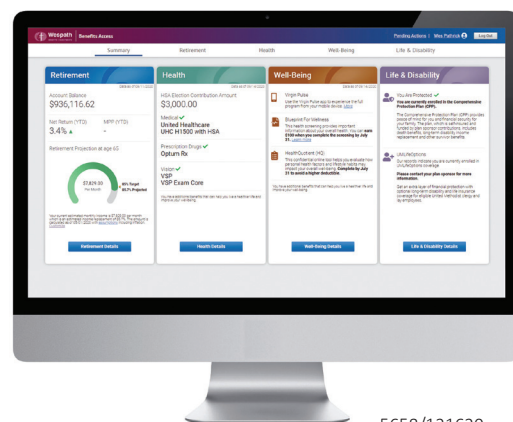
TIP 4 NARROW YOUR FOCUS

If you are interested in these concepts, try to find an issue you are particularly passionate about and seek out ways to make a difference. Creating and supporting a sustainable economy is a massive, collaborative undertaking—but you may feel rewarded by taking some initial steps.

New and Improved Benefits Access is Here

Explore the new and improved Benefits Access at benefitsaccess.org. Benefits Access now gives you easy access to all your Wespath benefits in one place—on your computer, smartphone or tablet. You will have one-stop access to your retirement, health, and life and disability plan information, plus health accounts*, Virgin Pulse, EY and other Wespath benefit providers. Log into Benefits Access today! If you're not yet registered for Benefits Access, add registering to your 2021 to-dos.

*Reimbursement accounts: flexible spending account (FSA), health savings account (HSA) or health reimbursement account (HRA)



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