



*This petition was approved at the General Conference.  
Wespath will provide updated information soon.*

## General Conference (April 23-May 3, 2024) Proposed Change to MPP Annuitization Rules LifeStage Retirement Income Proposal

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### [Petition 20948-FA, Volume 3 ADCA]

Wespath submitted a petition to the UMC General Conference that would permit clergy to transfer 65% of their Ministerial Pension Plan (MPP) account balance into the United Methodist Personal Investment Plan (UMPIP)—and then receive monthly payments (installments) through the LifeStage Retirement Income (LSRI) program. If approved, this would be an optional alternative to today's MPP rules. Today, retirees are *required* to annuitize 65% of their MPP account balance.

*[Petition 20948-FA replaces Petition 20227-FA that was submitted prior to the four-year postponement of General Conference. The updated petition appears in the [Advance Daily Christian Advocate Supplement, Volume 3](#)—published in 2024.]*

### Important details about the proposed change:

- This change to MPP rules will require approval by the General Conference before Wespath can implement it. General Conference (originally scheduled for May 2020) will be held April 23–May 3, 2024.
- The petition Wespath submitted originally (2019) to General Conference would have made this option available as of the proposed effective date of the *Compass* retirement plan, which was intended to be January 2023—but is pushed to **January 2026** (pending General Conference approval of *Compass*).
  - Due to the four-year postponement of the 2020 General Conference, Wespath is asking the General Conference to allow implementation of this MPP option sooner than we will implement the *Compass* retirement plan (pending General Conference approval).
  - Petition 20948-FA seeks to implement the LifeStage Retirement Income option as soon after the close of General Conference as administratively possible.
- MPP covers eligible clergy for their years of service between January 1983 and December 31, 2006.

Details of the proposed change are described below.

### How does this proposed option differ from current MPP annuitization rules?

- Current MPP rules *require* you to annuitize 65% of your MPP account balance. You then receive a defined monthly benefit for the rest of your life (and your spouse's life, if you elect

the Joint Life and Survivor benefit). Annuities pay the promised benefit every month (with an annual cost of living increase, if elected). Payments cease when you and your spouse die.

- This change would allow an *option* to have 65% of your MPP account balance paid in monthly installment payments through LifeStage Retirement Income, rather than being annuitized. LifeStage adjusts the monthly payment amounts to help assure your account lasts over your lifetime and permits you to leave any remaining account balance to your designated beneficiaries (e.g., spouse, children or others).
  - The normal form of distribution continues to be to annuitize 65% of MPP. Participants would need to elect this option through an application process.

#### Can I cash in or roll over my 65% of MPP out of Wespath to another financial institution?

- No. The 65% is intended to provide steady income over your lifetime. You must keep the 65% with Wespath so that the plan can manage this account balance.

#### Can I cash in or roll my remaining 35% of MPP out of Wespath to another financial institution?

- Yes. You can cash in your 35% as a lump sum payment (“distribution”) or roll this balance over to your United Methodist Personal Investment Plan (UMPIP) account.

#### Why consider the LifeStage Retirement Income (LSRI) program instead of annuitization?

- If approved by General Conference, this option would give retirees an alternative approach to annuitizing 65% of their MPP account balance. They could *either*: annuitize it at the current market rate *or* choose to let LifeStage Retirement Income handle monthly payouts. **Important:** *Either choice is irrevocable once made.*
- **Both options strive for a lifetime stream of income for you.** *Annuitization* guarantees steady monthly payments for life, while *LifeStage Retirement Income* offers monthly payouts that could be increased if investment returns are favorable, as well as the opportunity to leave an account balance to heirs. Unlike an annuity, payments made under the LifeStage Retirement Income program are based on an account balance and are not protected from decreases or guaranteed for life.
- While each participant’s situation is unique, the LSRI distribution option *might* appeal to you under certain circumstances. For example: you might find this alternative preferable if your (and your spouse’s, if applicable) guaranteed lifetime income needs are satisfied by other means [such as Social Security, CRSP defined benefit (DB) benefits, Pre-82 Plan benefits, or a pension plan from a previous employer] and you wish to retain your MPP account balance as a supplemental income source and/or legacy.

#### Why might the LifeStage Retirement Income (LSRI) program *not* appeal to me?

There are several circumstances in which you might prefer MPP’s annuitization (current rules) over the potential LSRI distribution option. For example:

- If MPP is an integral source of guaranteed lifetime income for you (and your spouse, if applicable); or
- If you are uncomfortable assuming investment market risks that could result in your MPP account balance being exhausted prematurely.

### How would my account balance be invested if I elect the LifeStage Retirement Income option instead of annuitization?

- Your account balance would be invested pursuant to the LifeStage Investment Management service. LifeStage invests your account in Wespath funds in a manner that results in an asset allocation that considers factors such as your age and your preferred tolerance for investment risk. More information about how LifeStage works is on the [Wespath.org](https://www.wespath.org) website under “Retirement & Investments” (Resources section):
  - [LifeStage Investment Management](#)
  - [LifeStage Retirement Income](#)

### If General Conference approves this MPP option: Do I have to use LifeStage Retirement Income? Can I choose to annuitize as planned?

- Even if General Conference approves Wespath’s proposed MPP change, you will still have the option to annuitize 65% of your MPP account balance (current MPP rules). If General Conference approves this change, it would simply give you an *alternative approach* to annuitization of the 65% of your MPP account balance.

### I already annuitized and did not get *this* option. Why not?

- You did not receive this option because it was not yet available at the time you annuitized. This proposed option is based on a petition Wespath has submitted to the General Conference. This proposal still must be enacted by General Conference. If it passes, it will become available, but only to those who have not yet annuitized their MPP account balances.
- Once you annuitize the 65% of your MPP account balance, ***that decision is irrevocable and cannot be changed later*** to the LifeStage Retirement Income approach if such option is enacted at General Conference.

### I annuitized earlier this year or in a previous year. If General Conference approves the MPP annuitization change, can I switch my election?

- No. Once you annuitize, you cannot make changes. If approved, this change would apply to MPP-eligible clergy who have not yet annuitized [including MPP-eligible clergy who will retire after this option is implemented (if approved by General Conference)].

### What happens if this proposed change is not approved by General Conference?

If the proposal is not approved by General Conference, then the current plan rules continue to apply. You would be required to annuitize 65% of your MPP account balance. There would be no change to this existing plan rule.

### Where can I learn more about how LifeStage Retirement Income works?

- Click [here](#), or visit Wespath’s website at [Wespath.org](https://www.wespath.org). Click on the Retirement & Investments tab and locate *LifeStage Retirement Income* under Retirement and Investments Resources.

### Where can I learn more about how LifeStage Investment Management works?

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