

Effective January 1, 2026

# Compass: Retirement Plan for U.S. Clergy

## Who is Eligible?

Compass retains the same eligibility rules of the Clergy Retirement Security Program (CRSP), so bishops and full-time clergy who are eligible for CRSP today will be eligible for Compass in 2026.

- *Part-time clergy*: Eligibility is based on the annual conference's choice (same rule as under CRSP).
- *Deacons* are treated like any other clergy for purposes of eligibility in Compass. If they are appointed to less than full-time, they will be eligible for Compass if their annual conference chooses to cover clergy at their appointment percentage.



Sustainability



Affordability



Adequacy



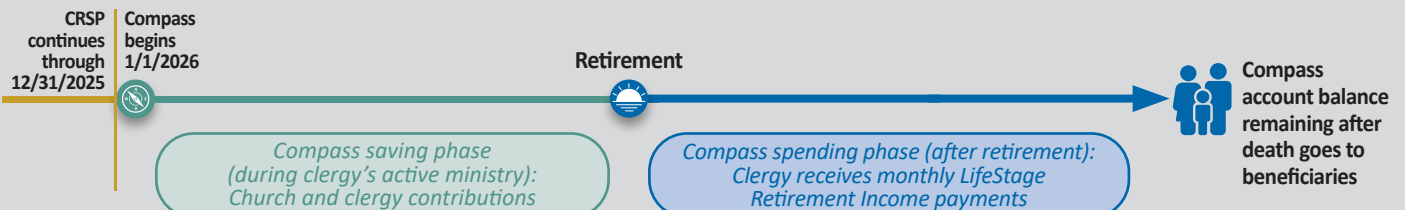
Equity



Flexibility

## Compass is Designed to:

- Increase **plan sustainability**, ensuring reliable retirement benefits for future generations of clergy
- Balance **affordability** with income **adequacy**
  - Strives to provide sufficient retirement income for clergy, at a predictable cost that is affordable to local churches and annual conferences
- Promote **equity** across different compensation levels with features to help lower-paid clergy
- Provide **flexibility** that:
  - Allows benefits portability for clergy
  - Permits leaving account balance to beneficiaries

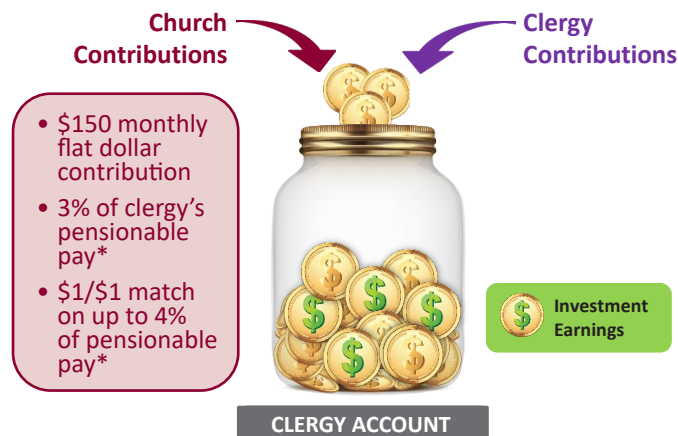


## Contributions—Building Retirement Savings

### Contributions—Building Retirement Savings

Compass is an account-based plan. Both the Church and clergy make contributions.

- The Church ('employer') makes three types of contributions:
  - flat dollar amount
  - pay-dependent amount
  - match on the clergy's contributions
- Clergy are encouraged to contribute at least 4% of pensionable pay to receive the full matching contribution from the Church.



\*Pensionable pay is base pay plus either the housing allowance or the deemed value of a parsonage equal to 35% of base pay.

## Key Components of the Compass Plan

### Denominational Fairness

A flat dollar contribution provides a base level of retirement savings to more fairly distribute benefits than a solely pay-based plan.

Compass provides lower-paid clergy with a higher relative level of income replacement. Clergy will receive a flat dollar contribution of \$150 per month, which will increase by 2% each year (in \$5 increments).

### Helping Clergy with Student Loans

Compass provides matching contributions on qualified student loan payments made by clergy. In essence, the plan treats clergy's student loan payments as if they are clergy contributions, and then provides an appropriate match as if such payments had been clergy contributions to the plan. To receive this match, clergy must certify annually how much they made in student loan payments for that year.

### Increased Parsonage Value

Under Compass, the deemed value of a parsonage is 35% of base pay.

### Retirement Income Sufficiency

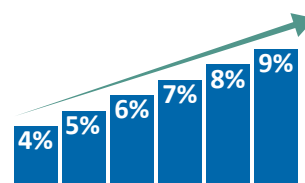
Automatic features simplify saving for retirement.

- *Automatic enrollment:* Clergy will be automatically enrolled for at least 4% in personal contributions, which qualifies for the full match.
- *Automatic contribution increases:* Helps clergy be financially prepared for retirement.

Automatic features are optional (but highly recommended). Clergy can opt out at any time.



A flat dollar contribution provides a base account balance.



Automatically increases the clergy's contributions at least 1% per year up to a set maximum rate, elected by the conference.

## Spending Phase

### LifeStage Retirement Income

LifeStage Retirement Income is a required feature for managing the account balance the plan sponsor (i.e., the Church) has contributed to Compass. It is designed to optimize monthly payments to help the account last throughout the clergy's lifetime (and the spouse's lifetime, if applicable). The online tool demonstrates various retirement income scenarios including two optional features.

### Optional Features

- *Social Security Bridge* uses more savings early in retirement so clergy can defer applying for Social Security benefits until their full retirement age or later.
- *Longevity Income Protection* involves the purchase of a deferred annuity that would make payments guaranteed for the rest of your life beginning at age 80.



LifeStage Retirement Income optimizes retirement income for the clergy's lifetime.

## What happens to defined benefit pensions that have been earned but not yet taken?

Clergy who have earned a pension in the defined benefit plans will retain those benefits. For the Clergy Retirement Security Program defined benefit (CRSP DB), clergy compensation used to determine benefits is the Denominational Average Compensation (DAC). The DAC will continue to increase 2% annually through retirement.

Compass FAQs: <https://www.wespath.org/assets/1/7/6089.pdf>