

RESPONSE.ABLE PLANNING:

Keeping It Together At Tax Time

It's a new year, and the beginning of another tax season—the time to gather your financial information and determine your tax bill or refund. When you're done, if you file it all away until the taxing process begins anew next year, you're missing out on a great opportunity.

You also have the .ability to have a planning professional take a look and make sure you're making the right moves to ensure your financial comfort now and in the future—all at no charge.* It takes just three easy steps:

1. KEEP YOUR FINANCIAL INFORMATION

Set aside your year-end statements and tax information in a folder or envelope—including your W-2s, bank and credit card account statements, loan interest statements, last year's tax return and retirement account information. That's *attain.ability*.

2. CALL ERNST & YOUNG FINANCIAL SERVICES

Receive confidential consultations at no charge* from financial professionals who have been specially trained to handle the questions of participants in General Board-administered retirement plans and programs. Your year-end information is just what Ernst & Young needs to help you with your retirement planning. They can also help with a wide range of other financial concerns, from budgeting to managing debt, and from purchasing a home to protecting your assets.

Ernst & Young representatives are available at **1-800-360-2539** Monday through Friday (excluding holidays) from 8:00 a.m. to 7:00 p.m., Central time. That's *advise.ability*.

3. LET YOUR FINANCIAL PLANNER DO THE WORK

You don't need to complete any forms. Simply answer your planner's questions—providing numbers from the financial information you've accumulated—so that your planner has the information needed to analyze your financial situation.

Your year-end information is just what Ernst & Young needs to help you with retirement planning...

You can even authorize access to your Benefit Access account, enabling Ernst & Young to review—but **not change**—your retirement accounts, so that there's even less information you need to provide directly.

*Services are available to active participants with an account balance, surviving spouses with an account balance, and terminated and retired participants with an account balance of at least \$10,000.

continued



General Board

Pension and Health Benefits

Caring For Those Who Serve

Keeping It Together At Tax Time

continued



Your financial counselor will then send you a customized financial report that identifies opportunities for improving your financial picture and will review the report with you, helping you understand it and offering suggestions for how to implement the recommendations. That's *understand.ability*.

You can call back as often as you like to run new reports or to ask other financial questions—and stay on the phone as long as you need. Now that's *avail.ability*.

So don't put away your tax information and put off your no-charge* consultation—call Ernst & Young today!

GENERAL CONFERENCE 2012:

Changes to Clergy Long-term Disability and Death Benefit Plan Now In Effect

On January 1, 2013, changes to the Comprehensive Protection Plan (CPP)—passed by General Conference 2012—went into effect.

CPP is the mandatory long-term disability (LTD) and death benefit plan for eligible U.S. clergy. Notably, Return-to-Work provisions have been enhanced and LTD and retiree death benefits have been more closely aligned with comparable plans provided by most other major denominations.

- The new **Return-to-Work** program enables clergy who are on disability to earn and retain both disability benefits and “other income” while transitioning back to work inside the Church or outside the connection. Other provisions include grants to conferences that encourage capable individuals to return to work, enhanced tools and resources for transitional work, and a disincentive for eligible individuals who choose not to participate.

- Both eligibility for **CPP retiree death benefits** and the amount of the benefit have changed. Participation in CPP will be required for 12 of the last 15 years of service before retirement. (The requirement will be phased in one-year increments from 2013 to 2019.) Also, retiree death benefits will be paid as fixed-dollar amounts, rather than percentages tied to the Denominational Average Compensation (DAC).

Please note: The retiree death benefit changes do not affect clergy who retired before January 1, 2013.

These changes—as well as other legislation affecting CPP (e.g., changes to mental/nervous benefits, the LTD benefit schedule and eligibility)—were covered in more detail in the July and October issues of *Hark*, available at www.gbophb.org. In addition, information is available on the General Board website—click “**General Conference 2012**” on the lower left side of the homepage.



RETIREMENT PLANNING:

General Board Online Tools Offer Forsee.ability

Unless you own a crystal ball, you probably don't know exactly how much you'll need in retirement. However, there are tools that can help you become financially prepared for your retirement. Two are brought to you by your responsible choice, the General Board: the Retirement Readiness Tool and Retirement Benefits Projection.

You may have run a projection last year when the tools were launched. But chances are your situation is different today. For example, your accounts may have performed better or worse than you expected, or you may be considering a different retirement date. You should rerun your projections regularly—many recommend annually—to make sure you're still on track and that any changes you may have implemented to improve your financial picture are having the desired effect.

If you participate in the Clergy Retirement Security Program (CRSP), taking another look is especially important, because you will begin accruing benefits at a lower rate for service after 2013 due to General Conference legislation. The tools have already been updated to reflect the General Conference changes to your retirement and welfare plans.

The **Retirement Readiness Tool** can help you estimate:

- **How much retirement income you may have**, by combining expected General Board-administered retirement plan benefits and account balances, and expected Social Security income
- **How much you may need**, by allowing you to see the impact of expected costs for housing, health care and discretionary spending, as well as your retirement age, risk tolerance and contribution amount or percentage
- **The shortfall or surplus** of expected retirement income

The Retirement Readiness Tool also has features that enable you to personalize your retirement planning and lifestyle choices. By adjusting sliders within the tool, you can see how changes in housing and health care costs, discretionary spending, retirement age and investment style may impact your retirement readiness. You can also include retirement assets held outside the General Board. You can even see how increasing your contributions to the United Methodist Personal Investment Plan (UMPIP) improves your financial picture.

While CRSP participants must save at least 1% in UMPIP to earn CRSP matching contributions beginning in 2014, higher contributions may be necessary to reach retirement savings goals. See the supplement to the July issue of *Hark* for more information.

The **Retirement Benefits Projection** offers a more detailed look at estimated benefits from your General Board-administered retirement accounts. It walks you through choices for benefits commencement and distribution options, creates a report that shows your projected benefits, and offers tips for improving your financial health in retirement.

To access either the Retirement Readiness Tool or the Retirement Benefits Projection, log in to Benefits Access (www.benefitsaccess.org), click "My Benefits," then select the tool you'd like to use from the **Project Future Values** drop-down menu.



Begin Saving or Save More in UMPIP

See the article
"Contribution Limits Increase for 2013"
in this issue to learn
how to begin saving in UMPIP
or to increase your
contribution percentage or amount.

LifeStage Retirement Income— Coming Soon!

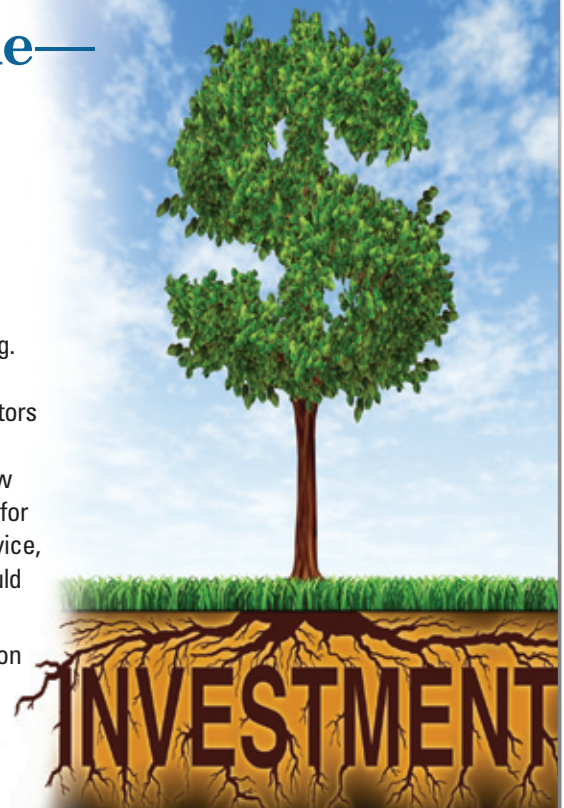
The General Board is launching a new, online account management service for participants: LifeStage Retirement Income.

This new service—accessible through Benefits Access (www.benefitsaccess.org)—improves the *manage.ability* of income from your General Board-administered defined contribution retirement accounts.

When you retire or terminate employment and are eligible for a distribution, LifeStage Retirement Income will turn your defined contribution account balance into monthly payments designed to last your lifetime, while keeping

pace with changes in the cost of living. It then adjusts your payment amount automatically each year based on factors such as your age, remaining account balance and the cost of living. The new offering will also include a calculator for participants who do not elect the service, showing the amount distributions would be if they were enrolled.

Be on the lookout for more information in the April issue of *Hark*.



Contribution Limits Increase for 2013

Are you contributing the maximum to your retirement savings account? If not, don't miss this opportunity to save more.



Contribution limits for retirement savings accounts have been increased for 2013. You can now make before-tax contributions of **\$17,500** (increased from \$17,000 in 2012) or **\$23,000** if you are age 50 or older.

You also may be able to contribute an additional **\$3,000** if you have 15 or more years of service with a "qualified organization," subject to a \$15,000 lifetime limit and other rules. Contact the General Board for details.

Your total annual before-tax and after-tax contributions, and plan sponsor contributions may not exceed the lesser of your compensation or \$51,000 for 2013. (Note: Clergy housing is excluded from compensation for this calculation.)

You may be eligible for the 2012 Saver's Credit if your adjusted gross income is less than \$28,750 (single filer), \$43,125 (head of household) or \$57,500 (married, filing jointly). Visit www.irs.gov for additional details.

CHANGING YOUR CONTRIBUTIONS

You can begin contributing to UMPIP or change your UMPIP contributions at any time. Just download the *Before-Tax and After-Tax Contributions Agreement* from the General Board website and return it to your conference or other salary-paying unit.

Go to www.gbophb.org and select "General Board Participant Forms" from the lower left corner of the page.