Wespath

You have student loan debt, but you also know that saving for retirement is important.

Did You Know that Compass Can Help You with Both?

Student Loan Matching in the Compass Retirement Plan—2026 FAQs

What Is the Qualified Student Loan Provision in Compass?

Compass includes a provision, introduced in the Secure 2.0 Act passed in 2022, that allows your qualified student loan payments to count toward earning matching contributions from the UMC. This means that if you're paying off student loans, you can still earn the full 4% match on contributions in Compass.

Even if you can't contribute the full 4% of plan compensation to Compass because you require the funds to pay your qualified student loans, **your qualifying student loan payments can "count" like retirement contributions toward the match—up to 4% of your plan compensation**.

How Does It Work?

When you make qualified student loan payments, Compass matches that amount—**up to 4% of your plan compensation**.

You can reach that 4% in three ways:

1. CONTRIBUTIONS ONLY
You contribute 4% of your plan compensation to Compass.

↓

You receive the full 4% match.

2. STUDENT LOAN PAYMENTS ONLY
You contribute 0% to Compass, but pay at least 4% of your plan compensation toward qualified student loans.

↓

You can still receive up to the 4% match.

3. COMBINATION
You contribute to Compass (less than 4% of your plan compensation) but also make qualified student loan payments. As a result, contributions + payments equal at least 4% of your plan compensation.

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You can still receive up to the 4% match.

EXAMPLE: IF YOUR ANNUAL PLAN COMPENSATION IS $50,000

Your annual contribution to Compass:	+	$1,000
Your annual payment toward student loans:		$1,500
Yearly amount:		**$2,500**—which is **5%** of your plan compensation.

You are *eligible* for the maximum Compass matching contribution 4% of your plan compensation.

In this situation, you would receive the full $2,000 match (4% of $50,000).

Student Loan Matching in the Compass Retirement Plan—FAQs

What Counts as a "Qualified" Student Loan Payment?

Wespath follows IRS rules for **qualified education loans** [Internal Revenue Code §221(d)(1)].

In general, payments may qualify if:

- The loan was used **solely** to pay higher education expenses at an eligible post-secondary institution.
- The education was for **you, your spouse, or your dependent** (for example, a child you claim as a dependent).
- **The loan was incurred by you—and not, for example, by your spouse or dependent—and you repay the loan.** Co-signing on the loan is treated as being incurred by you, but being a guarantor of the loan is not sufficient, unless your spouse or dependent has defaulted and you are now legally responsible for repaying the debt and you are doing so.
- The payments are made by you **during the same plan year** that will be used to calculate the match (e.g., 2026 payments for the 2026 match).

NOTE: Retirement plan loans DO NOT qualify

You may be able to take loans from your Compass retirement plan (including hardship-related loans) to pay education expenses. However, loans from an employer retirement plan are not considered qualified education loans under IRS rules, even if the money is ultimately used for education.

How Can I Certify My Student Loan Payments?

Follow these simple steps to self-certify your student loan payments in **Benefits Access**:

1. Under the **Retirement** tab, click on **Accounts**.
2. Select "Student Loan Matching" under the **Contributions** menu.
3. Enter your lender information in the **Loan Information** tab. You will need:
   - The name of your lender
   - Your account number

   Note: You can enter more than one lender if needed.
4. Enter your payment information in **Enter Payments** tab. You'll be asked to provide:
   - The date of each loan payment for the current year
   - The amount of each payment

   Note: IRS guidelines specify that participants should enter each payment individually, not as a lump sum.
5. Watch for an **email confirmation** of your successfully recorded payments.

When Will I Receive My Matching Contributions?

Matching contributions based on qualified student loan payments that you make in a given year will be calculated and credited to your Compass account as a lump sum in the following year.

You have until the **end of January of the following year** to enter payments for the previous year. Your matching contributions will be posted to your account by the end of February.

Example:

- You make qualified student loan payments in 2026.
- You certify them in Benefits Access by the January 31, 2027 cutoff date.
- The related Compass matching contribution is posted by February 28, 2027.

  Note: You can add, edit, or delete any previous year payments until the cutoff date.

What Else Should I Know?

Here are some additional tips to make sure you're prepared to take full advantage of this benefit:

- **Work with EY or a Financial Planner** to determine if there is a way for you to make some contributions into Compass. It is always a good idea to try to contribute, if you can.
- **Confirm your loans are "qualified education loans."** Check with EY, your loan servicer, and/or tax advisor if you're uncertain.
- **Save your loan statements and payment records.**

This will position you to receive the Compass match based on your student loan payments.